

REPORT OF THE AUDIT COMMITTEE OF QUADRANT TELEVENTURES LIMITED

MEMBERS

Mr. Babu Mohanlal Panchal	Chairman
Mr. Viney Kumar	Member
Mr. Yatinder Vir Singh	Member
Mr. Vinay Kumar Monga	Member

IN ATTENDANCE

Mr. Kapil Bhalla	Company Secretary & Manager U/S 269
Mr. Sunil Jit Singh	Chief Financial Officer

1. BACKGROUND

The Company has placed before the Audit Committee a scheme of reduction as per the Corporate Debt Restructuring Package (CDR Package) approved by the Corporate Debt Restructuring Cell (CDR Cell) vide its letter No.CDR (JCP) No.563/2009-10 dated 13th August, 2009 for furnishing a report recommending the draft scheme as required vide SEBI circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013.

This report of the Audit Committee is made in order to comply with the requirements of the abovementioned SEBI Circular and after considering the following necessary documents:

- 1) Draft Scheme of Reduction of share capital of the Company.
- 2) Corporate Debt Restructuring Package (CDR Package) approved by the Corporate Debt Restructuring Cell (CDR Cell)

2. PROPOSED SCHEME OF REDUCTION

2.1 The Audit Committee noted that the Company has accumulated losses over the past 10 years of operations thereby resulting in the erosion of the Company's Net worth.

2.2 On account of the accumulated cash losses suffered by the Company, the Corporate Debt Restructuring Cell (CDR Cell) vide its letter No CDR (JCP) No.563/2009-10 dated 13th August, 2009 had approved a Corporate Debt Restructuring Package (CDR Package) for the revival of the Company.

2.3 The salient feature of the scheme are as under:

- The proposed reduction in equity share capital will clean up the Balance Sheet of the Company by reducing the amount of paid-up capital and accumulated losses. Therefore, the Issued, Subscribed and Paid-up Equity Share Capital of the Company would be reduced by 90% and debit balance in the Profit & Loss Account would be written-off by an equivalent amount.

QUADRANT TELEVENTURES LIMITED

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- The post-reduction 'Paid up value of each equity share' will be Re. 1/- (Rupee One Only) fully paid-up as against Rs. 10/- (Rupees Ten Only) fully paid-up at present. The number of Equity Shares issued shall remain unchanged. The proposed "Reduction" will not affect or change the percentage shareholding of the Promoters and non-promoters.

3 RECOMMENDATION OF THE AUDIT COMMITTEE

The Audit Committee recommends the draft scheme of reduction of share capital of the Company keeping in consideration the Corporate Debt Restructuring Package (CDR Package) for favorable consideration by the Stock Exchange & SEBI.

Date : 13th February, 2013
Place: Mohali


BABU MOHANLAL PANCHAL
CHAIRMAN



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