

SPOTLIGHT VANIYA LIMITED

2, Red Cross Place, Kolkata 700 001

Phone: 2254-3100, Fax: 2254-3130

Website: www.spotlightvaniya.com, Email id: kkothari@hngil.com

CIN- L65993WB1981PLC034252

REPORT OF AUDIT COMMITTEE OF SPOTLIGHT VANIYA LIMITED

MEMBERS

Shri Narain Das Maheshwari	Chairman (Independent)
Shri Mukul Somany	Member (Independent)
Shri Satish Kumar Biyani	Member (Independent)

1. Background

The Company has placed before the Audit Committee a Scheme of Amalgamation ("Scheme") for the merger of Somany Foam Ltd ("SFL") with the Company for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI circular No. CIR/CFD/DIL/5/2013 dated 4th February, 2013 ("Circular").

This report of the audit Committee is made in order to comply with the requirements of the Circular after considering the draft Scheme of Amalgamation.

Since SFL is a wholly owned subsidiary of the Company and as a result of the amalgamation, the shares of SFL held by the Company will stand cancelled, with no issuance of shares or payment of other consideration by the Company, no valuation process is applicable.

2. Proposed Scheme of Amalgamation

The salient features of the Scheme are as under:

- The Scheme provides for merger of SFL with the Company.
- The appointed Date for the Scheme is fixed as opening of business hours on 1st April, 2015.
- The Scheme provides for transfer of assets and liabilities pertaining to SFL on a going concern basis.
- Upon the Scheme coming into effect, all equity shares of the SFL held by the Company shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued or payment made in cash whatsoever by the Company in lieu of such shares of the SFL.
- In terms of the Scheme of Amalgamation, SFL will be amalgamated with Company, followed by the dissolution without winding up of SFL.

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3. Recommendation of the Audit Committee:

The Audit Committee recommends the Draft Scheme, inter-alia, taking into consideration that no valuation is required, for favourable consideration by the Committee of the Board, Stock Exchange(s) and SEBI.

Date : May 11, 2015

Place : Kolkata

N. D. Maheshwari

(N D Maheshwari)

Chairman, Audit Committee