

ANNEXURE - I

Report on recommendations of the Audit Committee of The Waterbase Limited on the Draft Scheme of Amalgamation of Pinnae Feeds Limited ('PFL' or 'the Transferor Company') with The Waterbase Limited ('TWL' or 'the Transferee Company')

The Company has placed before the Audit Committee, the Draft Scheme of Amalgamation between Pinnae Feeds Limited ("PFL") and The Waterbase Limited ("TWL") and their respective Shareholders and Creditors for recommendation of the Scheme by the Audit Committee to the Board of Directors as required vide SEBI Circular No. CIR/CFD/DIL/05/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 ('Circular').

In view to comply with the said Circular, members of the Audit Committee discussed and recommended the Draft Scheme after considering the following documents:

- a. Draft Scheme of Amalgamation between PFL and TWL;
- b. Valuation Report from SSPA & Co., Independent Chartered Accountants; and
- c. Fairness Opinion issued by Saffron Capital Advisors Pvt. Ltd. on the valuation carried out by M/s SSPA & Co., Chartered Accountants.

Below are the Recommendations of the Audit Committee on the Draft Scheme of Amalgamation:

1	Date	August 26, 2015
2	Name of the Transferor Company	Pinnae Feeds Limited ('PFL')
3	Name of the Transferee Company	The Waterbase Limited ('TWL')
4	Salient Features of the Scheme	PFL ('Transferor Company') will be merged with TWL ('Transferee Company'). The appointed date for the Scheme shall be 1 st day of August, 2015. In consideration of the transfer and vesting of the assets and said liabilities of the Transferor Company in the Transferee Company in terms of this Scheme, the Transferee Company shall without any further application or deed, issue and allot 4 (Four) fully paid up equity share of Rs.10/- (Rupees Ten only) each of the Transferee Company for every 17 (Seventeen) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each, held by the shareholders in Transferor Company.
5	Name of the Independent Chartered Accountant	SSPA & Co, Chartered Accountants



6	Details of Audit Committee	<p>The composition of the Audit Committee, is as follows:</p> <p>Mr Anil Kumar Bhandari - Chairman Mr Vikram .M. Thapar - Director Lt. Gen. Deepak Kumar Summanwar - Director Mr Nakul Kamani - Director Mr Ranjit Mehta - Director</p> <p>Company Secretary of the Company acts as Secretary to the Committee.</p>
7	Recommendation on the Draft Scheme of Amalgamation and Exchange Ratio taking into consideration the Valuation Report	<p>Based on review of the draft Scheme of Amalgamation between PFL and TWL, Valuation Report dated August 26, 2015 issued by SSPA & Co., Chartered Accountants and the Fairness Opinion issued by Saffron Capital Advisors Pvt. Ltd., on the valuation, the Audit Committee believes that the Scheme of Amalgamation and Exchange Ratio of 4 (Four) fully paid up equity shares of Rs.10/- (Rupees Ten only) each of the Transferee Company for every 17 (Seventeen) fully paid-up equity shares of Rs. 10/- (Rupees Ten Only) each, held by the shareholders in Transferor Company is fair and reasonable.</p>
8	Summary of reasons for recommendations	<p>The Fair Exchange Ratio has been arrived on the basis of relative equity valuation of TWL and PFL based on methods explained in the valuation report taking into consideration the various qualitative factors relevant to each company and the business dynamics and growth potentials of the business of the Companies.</p> <p>In the above circumstances, the Exchange Ratio as mentioned in Draft Scheme of Amalgamation is fair and reasonable.</p>

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise.

For THE WATERBASE LIMITED

ANIL KUMAR BHANDARI



CHAIRMAN OF THE AUDIT COMMITTEE

Date: August 26, 2015

Place: New Delhi

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