

Annexure D

APIS INDIA LIMITED

18/32, East Patel Nagar, New Delhi 110 008 India
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**Report of the Audit Committee Meeting of
APIS INDIA LIMITED**

Present Members

Mrs. Sunita Chaddha	-	Chairperson
Mr. Karan Ahooja	-	Member
Mr. Shalini Malik	-	Member

In attendance

Mr. Vikas Aggarwal	-	Company Secretary
Mr. Sudhir Agarwal	-	Authorised Representing on behalf of M/s SRDP & Co, Statutory Auditor

1. Background

The Company has placed before the Audit Committee the draft Comprehensive Scheme of Amalgamation of APIS Natural Products Private Limited (**'Amalgamating Company 1'**) and Modern Herbals Private Limited (**'Amalgamating Company 2'**) with APIS India Limited (**'Amalgamated Company'**) and their respective shareholders and creditors under Sections 230-232 read with Section 66 of the Companies Act, 2013, including any statutory modification or re-enactments thereof for the time being in force (**'the Scheme'**) for recommendation by the Audit Committee to the Board of Directors of the Company in accordance with the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 read with SEBI Circular No. CFD/DIL3/CIR/2017/26 dated 23rd March 2017 and CFD/DIL3/CIR/2018/2 dated 3rd January 2018 (hereinafter collectively referred to as **'SEBI Circulars'**).

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

- Draft Comprehensive Scheme of Amalgamation
- Share Entitlement Report dated May 29, 2019 issued by Jain Gandharv & Associates
- Fairness Opinion Report dated May 29, 2019 issued by D&A Financial Services (P) Limited

For APIS INDIA LIMITED
Amit Ahooja
Managing Director

2. Proposed Scheme of Amalgamation

- A. The Audit Committee noted that the amalgamation of Amalgamating Company 1 and Amalgamating Company 2 with the Amalgamated Company will lead to simplification of the shareholding structure and reduction of shareholding tiers of APIS India Limited and also demonstrate the promoter group's direct commitment to and engagement with APIS India Limited.
- B. The salient features of the Scheme are as under:
- The Scheme provides for amalgamation of Amalgamating Company 1 and Amalgamating Company 2 with the Amalgamated Company through a Comprehensive Scheme of Amalgamation.
 - The Appointed Date of the Scheme is fixed as opening of business hours on April 1, 2019.
 - The Scheme provides for transfer of assets and liabilities of Amalgamating Company 1 and Amalgamating Company 2 to the Amalgamated Company on a going concern basis.
 - The preference shares held by the Amalgamating Companies in the Amalgamated Company will be cancelled pursuant to the merger.
 - Based on the Share Entitlement Report, the consideration for the merger will be as follows:
 - 59,220 (Fifty Nine Thousand Two Hundred Twenty) fully paid up Equity Shares of the face value of Rs. 10/- (Rupees Ten) each credited as fully paid up in the share capital of the Amalgamated Company in the proportion of the number of equity shares held by the shareholders in the Amalgamating Company 1.
 - 143,820 (One Lakh Forty Three Thousand Eight Hundred Twenty) fully paid up Equity Shares of the face value of Rs. 10/- (Rupees Ten) each credited as fully paid up in the share capital of the Amalgamated Company in the proportion of the number of equity shares held by the shareholders in the Amalgamating Company 2.
 - In case any shareholder's holding in Amalgamating Company 1 or Amalgamating Company 2 is such that the shareholder becomes entitled to a fraction of an equity share of the Amalgamated Company, the Amalgamated Company shall not issue fractional shares to such shareholder(s) but shall instead consolidate all such fractional entitlements to which such shareholder(s) may be entitled on the issue and allotment of the New Equity Shares of the Amalgamated Company pursuant to clause (i) and (ii) above, and thereupon the Amalgamated Company shall issue and allot the consolidated number of equity share(s) to Ms. Prem Anand, who is currently a shareholder of the Amalgamating Companies and the Amalgamated Company. However, in no event, the number of New Equity Shares to be allotted by the

APIS INDIA LTD.
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Amalgamated Company to the shareholders of the Amalgamating Companies shall exceed the total number of equity shares held by the Amalgamating Companies in the Amalgamated Company.

- Equity shares issued by APIS India Limited pursuant to the Scheme would be listed on the BSE Limited ('BSE').

3. Recommendations of the Audit Committee

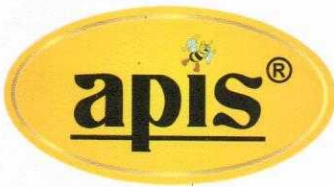
The Audit Committee recommends the draft Comprehensive Scheme of Amalgamation inter-alia taking into consideration the Share Entitlement Report dated May 29, 2019 issued by Jain Gandharv & Associates for favorable consideration by the Board, BSE and SEBI.

The Audit Committee also recommends the Board of Directors to authorize Ms. Prem Anand, Chairperson, Mr. Vimal Anand, Director, Mr. Amit Anand, Managing Director, Mr. Atul Singh, Chief Financial Officer and Mr. Vikas Aggarwal, Company Secretary of the Company to take all steps as may be considered necessary in connection with the Scheme.

Date: 20-5-2019
Place: New Delhi



Sunita Chaddha
Chairman, Audit Committee

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CERTIFIED TRUE EXTRACT OF THE RESOLUTION PASSED AT THE MEETING OF THE AUDIT COMMITTEE OF APIS INDIA LIMITED HELD ON THURSDAY, 30TH DAY OF MAY, 2019 AT 12:00 NOON AT THE REGISTERED OFFICE OF THE COMPANY AT 18/32 EAST PATEL NAGAR NEW DELHI 110 008

TO CONSIDER AND RECOMMEND THE COMPREHENSIVE SCHEME OF AMALGAMATION BETWEEN APIS NARURAL PRODUCTS PRIVATE LIMITED AND MODERN HERBALS PRIVATE LIMITED WITH APIS INDIA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

“RESOLVED THAT pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactments thereof for the time being in force, and subject to the relevant provisions of the Memorandum of Association of APIS India Limited (**‘the Company’** or **‘APIS’**) and subject to requisite approval of the shareholders and creditors of the Company and sanction of the jurisdictional National Company Law Tribunal (**‘NCLT’**), Securities and Exchange Board of India (**‘SEBI’**), Bombay Stock Exchange (**‘BSE’**) and other regulatory authorities, as may be necessary and required, and further based on the Share Entitlement Report of Jain Gandharv & Associates and the Fairness Opinion received from D&A Financial Services (P) Limited, the Audit Committee be and hereby recommends the Comprehensive Scheme of Amalgamation of APIS Natural Products Private Limited (**‘Amalgamating Company 1’**) and Modern Herbals Private Limited (**‘Amalgamating Company 2’**) with APIS India Limited (**‘Amalgamated Company’**), and their respective shareholders and creditors (hereinafter referred to as **‘the Scheme’**), to the Board for their consideration and approval.

RESOLVED FURTHER THAT the Audit Committee further recommends to the Board of Directors that Ms. Prem Anand, Chairperson, Mr. Vimal Anand, Director, Mr. Amit Anand, Managing Director, Mr. Pankaj Kumar Mishra, Chief Executive Officer, Mr. Atul Singh, Chief Financial Officer and Mr. Vikas Aggarwal, Company Secretary of the Company, be

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New Delhi

and hereby authorized severally to take all the necessary steps as may be considered necessary in connection with the Comprehensive Scheme of Amalgamation.”

**Certify true copy
For APIS India Limited**




**Amit Anand
(Managing Director)
DIN: 00951321**

**Date: 30.5.2019
Place: New Delhi**