


VALUATION REPORT OF
APIS INDIA LIMITED
AS OF MARCH 31, 2019

Prepared by:
Jain Gandharv & Associates
Chartered Accountants

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For APIS INDIA LIMITED

Managing Director

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A circular blue stamp with the text "JAIN GANDHARV & ASSOCIATES INDIA P.T.D." around the top edge and "New Delhi" at the bottom. A handwritten signature in blue ink is written across the center of the stamp.

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The Board of Directors
APIS India Limited
18/32, East Patel Nagar
New Delhi- 110008

The Board of Directors
APIS Natural Products Private Limited
Village Bhoglanear, New Grain Market,
Rajpura Town, District Patiala, Punjab 140401

The Board of Directors
Modern Herbals Private Limited
18/32, East Patel Nagar
New Delhi- 110008

May 29, 2019

Re: Valuer's Report on Share Entitlement Ratio for the purpose of proposed amalgamation of APIS Natural Products Private Limited and Modern Herbals Private Limited into APIS India Limited

Dear Sir/s,

We have been requested by the management of APIS India Limited (hereinafter referred to as "APIS India"), APIS Natural Products Private Limited (hereinafter referred to as "APIS Natural") and Modern Herbals Private Limited (hereinafter referred to as "Modern Herbals") to recommend a share entitlement ratio for the proposed amalgamation of APIS Natural and Modern Herbals into APIS India are hereinafter collectively referred to as the "Companies".

1. SCOPE AND PURPOSE OF THIS REPORT

We have been given to understand that in order to inter alia consolidate the operations of the group, simplify the shareholding structure and reduce shareholding tiers for the promoters of APIS India, it is proposed that APIS Natural and Modern Herbals will amalgamate in APIS India (hereinafter referred to as the "Amalgamation") pursuant to a Comprehensive Scheme of Amalgamation under sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "Scheme"). Subject to necessary approvals, APIS Natural and Modern Herbals would be merged with APIS India, with effect from April 01, 2019 (hereinafter referred to as the "Appointed Date").

For the purpose the proposed Scheme, we have been appointed by the management of APIS India to determine the fair value of equity shares of the Companies and recommend a share entitlement ratio for the proposed amalgamation of APIS Natural and Modern Herbals into APIS India as on the valuation date i.e. March 31, 2019 ("Valuation Date") in compliance with provisions of Securities And Exchange Board of India ("SEBI") Circular No. CFD/DIL3/CIR/2017/21, dated 10-3-2017 read with SEBI Circular No. CFD/DIL3/CIR/2017/26, dated 23-3-2017 and CFD/DIL3/CIR/2018/2, dated 3-1-2018 ("SEBI Circulars") and as per the SEBI (ICDR) Regulations, 2018 pricing rules.

This Valuation Report ("Report") is being furnished by Jain Gandharv & Associates ("JGA") in the capacity of Chartered Accountants to comply with SEBI guidelines and by Gandharv Jain in the individual capacity of Registered Valuer under section 247 of the Companies Act, 2013.

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Jain Gandharv
APIS INDIA LTD.
New Delhi

2. BRIEF BACKGROUND OF THE COMPANIES

APIS Natural Products Private Limited is a private company incorporated under the Companies Act, 1956 and having its registered office at Village Bhoglanear, New Grain Market, Rajpura Town, District Patiala, Punjab-140401. APIS Natural is in the business of honey processing activities. Issued share capital of APIS Natural as on March 31, 2019 is 16,040 equity shares of INR 10 each. The shareholding pattern as on March 31, 2019 has been presented as under:

APIS Natural Product Private Limited		
<i>Details of shareholders as on March 31, 2019</i>		
Particulars	No of Shares	% Holdings
Vimal Anand	4,010	25.00%
Amit Anand	4,010	25.00%
Prem Anand	8,020	50.00%
Total	16,040	100%

APIS Natural holds 59,220 approx. 1.07% equity shares in APIS India and also holds 1,55,000 Non-Cumulative, Non-Convertible, Redeemable Preference Shares ("NCRPS") issued by APIS India. The NCRPS are mandatorily redeemable at a fixed determinable amount at a fixed or future date as defined in the terms of the NCRPS.

Modern Herbals Private Limited is a private company incorporated under the Companies Act, 1956 and having its registered office at 18/32, East Patel Nagar, New Delhi- 110008. Modern Herbals is engaged in the business as manufacture, buyer sellers, and dealers in herb products, pure herb honey dry fruit activities. Issued share capital of Modern Herbals as on March 31, 2019 is 1,63,200 equity shares of INR 10 each. The shareholding pattern as on March 31, 2019 has been presented as under:

Modern Herbals Private Limited		
<i>Details of shareholders as on March 31, 2019</i>		
Particulars	No of Shares	% Holdings
Vimal Anand	52,300	32.05%
Amit Anand	300	0.18%
Prem Anand	110,600	67.77%
Total	163,200	100%

Modern Herbals holds 1,43,820 approx. 2.61% equity shares in APIS India and also holds 1,95,000 NCRPS issued by APIS India. The NCRPS are mandatorily redeemable at a fixed determinable amount at a fixed or future date as defined in the terms of the NCRPS.

APIS India Limited is incorporated under the Companies Act, 1956 and having its registered office at 18/32, East Patel Nagar, New Delhi- 110008. APIS India is engaged in the business of rearing and hiving honey bees for the purpose of production of honey & honey related products. Further, APIS India is also engaged in the business of trading of Green Tea, Jam, Pickles, Dates & Preserves. The equity shares of APIS India are presently listed on BSE Limited (hereinafter called 'BSE'). Issued share capital of APIS India as on March 31, 2019 is 55,10,076 equity shares of INR 10 each. The shareholding pattern as on March 31, 2019 has been presented on the following page:

APIS India Limited		
Details of shareholders as on March 31, 2019		
Particulars	No of Shares	% Holdings
Promoter & Promoter Group	4,117,199	74.72%
Public	1,392,877	25.28%
Total	5,510,076	100%

*Vimal Anand, Amit Anand and Prem Anand are part of Promoter Group of shareholders of APIS India.

It has been represented by the management that there is no change in the promoter shareholding since then till date. Further, the shares held by APIS Natural and Modern Herbal have been classified as part of Promoter Group shareholding.

3. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- Draft Comprehensive Scheme of Amalgamation ("Scheme") between APIS Natural, Modern Herbal and APIS India under section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act 2013.
- Shareholding Pattern of APIS India, APIS Natural and Modern Herbals Private Limited as of March 31, 2019.
- Audited financial statements of APIS Natural and Modern Herbals Private Limited as of March 31, 2019.
- Such other information and explanations as we required and which have been provided by the management of the Companies.
- Data extracted from publicly available sources believed to be reliable and true (i.e. Money control and BSE India)
- Applicable laws and public circulars under SEBI Law and provisions of the Companies Act, 2013.
- Discussions with the Management, and other quantitative and qualitative data.

Supporting data, copies of source documents and other pertinent information supporting our opinion of value are maintained in our files.

4. LIMITATIONS

- Our recommendation is dependent upon the information furnished to us being complete in all material respects.
- This report has been prepared for the Board of Directors of the Companies solely for the purpose of recommending a share entitlement ratio for the proposed Amalgamation of APIS Natural and Modern Herbals into APIS India.
- The information contained herein and our report is absolutely confidential. It is intended only for the sole use and information of the Companies, and only in connection with the proposed Amalgamation as aforesaid including for the purpose of obtaining requisite approvals. It is to

be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed Amalgamation as aforesaid, can be done only with our prior permission in writing.

- d) The recommendation contained herein is not intended to represent the share entitlement ratio at any time other than the Valuation Date that is specifically stated in this report.
- e) This report is issued on the understanding that the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position.
- f) Our report is subject to the scope limitations detailed hereinafter. As such the report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein and in the context of the purpose for which it is made.
- g) Our work does not constitute an audit, due diligence or certification of the historical financial statements including the working results of the Companies referred in this report. We have not investigated or otherwise verified the data provided. Accordingly we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the Companies and their impact on the present exercise.
- h) Our report is not, nor should it be construed as our opining or certifying the compliance of the proposed Scheme with the provisions of any law including companies, taxation and capital market related laws or as regards any legal i.e. implications or issues arising from such proposed Scheme.
- i) Our scope of work involves recommendation of entitlement ratio, however the decision to proceed with the Amalgamation as well as the acceptance of this entitlement depends on the decision of the directors of the respective companies.

5. BASIS FOR DETERMINATION OF RATIO

As informed earlier, both APIS Natural and Modern Herbals individually hold 59,220 and 1,43,820 equity shares respectively in APIS India. As per the Scheme, upon Amalgamation of APIS Natural and Modern Herbals into APIS India, the shareholders of APIS Natural and Modern Herbals will be entitled to the same number of shares of APIS India which they own on the effective date of the proposed Amalgamation indirectly through their holding in APIS Natural and Modern Herbals. Pursuant to the Amalgamation, there would be no change in the paid-up equity share capital of APIS India. Considering that the same number of shares are being issued and there would be no impact on shareholding of other shareholders of APIS India, also their interest remains unaffected, we have thought fit not to undertake valuation of shares of the Companies following any specific valuation methodology as there will be no impact on determination of share entitlement ratio pursuant to the proposed Amalgamation.

It is pertinent to note that as per the audited financial statements as of March 31 2019 of APIS Natural and Moderns Herbals provided by the management annexed herewith, the amalgamating companies only material assets are equity shares and NCRPS held in APIS India, there are no other material assets or liabilities apart from the balance of cash / cash equivalents which will be taken over by APIS India. The investments in NCRPS of the amalgamated company as appearing in the books of accounts of the amalgamating companies shall stand cancelled. Therefore, as mentioned previously, we have thought fit not to separately fair value these amalgamating companies.

We have been further informed by the management of APIS India and captured in the Scheme as well that all costs, charges, taxes including stamp duties, levies and all other expenses, if any arising out of or incurred in connection with implementation the Scheme and matters incidental thereto shall be borne by the promoters and/ or APIS Natural and Modern Herbals. Thus APIS India will not bear any expenses pertaining to the Scheme of Amalgamation.

6. RECOMMENDED RATIO

Based on above, we recommend a share entitlement ratio as follows:

- a) 59,220 Equity shares (face value of INR 10 each) of APIS India to be issued and allotted to the equity shareholders of APIS Natural for 59,220 fully paid equity shares (face value of INR 10 each) held by APIS Natural in APIS India in event of amalgamation of APIS Natural into APIS India in proportion of their respective equity shareholding in APIS Natural.
- b) 1,43,820 equity shares of APIS India (face value of INR 10 each) to be issued and allotted to the equity shareholders of Modern Herbals for 1,43,820 fully paid equity shares (face value of INR 10 each) held by Modern Herbals in APIS India in event of amalgamation of Modern Herbals into APIS India in proportion of their respective equity shareholding in Modern Herbals.

We believe that the above ratio is fair and equitable considering that all the shareholders of APIS India will remain the beneficial owners in APIS India in the same proportion post Amalgamation, as they were holding in APIS India (directly and/or indirectly through APIS Natural and Modern Herbals) prior to the Amalgamation and that the interest of the other shareholders in APIS India will remain unaffected.

Further, as requested by the management of the Companies, hereunder is the presentation of relative fair value per share in terms of SEBI Circular dated March 10, 2017:

Computation of Fair Share Exchange Ratio

Valuation Approach	APIS Natural Products Private Limited		Modern Herbals Private Limited		APIS India Limited	
	Value per Share	Weight	Value per Share	Weight	Value per Share	Weight
Asset Approach	N.A.*		N.A.*		N.A.*	
Income Approach						
Market Approach						
Relative Value Per Share						
Exchange Ratio (rounded Off)						

*In our opinion, the computation of fair share exchange Ratio would not be relevant/ applicable to determine the numbers of shares to be issued by APIS India pursuant to amalgamation of Modern Herbal and APIS Naturals into APIS India as the Amalgamation is precisely the cancellation of equity shares held by Modern Herbals and APIS Natural, and re-issue of same number of equity shares to the shareholders of the amalgamating companies in the proportion of their holding in APIS India. Therefore, there would be no change in the paid-up capital of APIS India. There would be no change in the promoter shareholding of APIS India. The promoters would continue to hold the same percentage of equity shares in APIS India, pre and post the amalgamation of APIS Natural and Modern Herbals with APIS India.


New Delhi

Date: May 29, 2019
Place: Gurgaon


Firm Registration No: 026028N
NEW DELHI

For Jain Gandharv & Associates
Chartered Accountants
Firm Registration No: 026028N
CA. Gandharv Jain
Membership No: 511064
IBBI/RV/06/2018/10079
UDIN: 19511604AAAAAX2016