



Annexure E

## D & A FINANCIAL SERVICES (P) LIMITED

Merchant Banking & Corporate Advisory Services

Date: May 29, 2019

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

**Subject: Fairness Opinion for the purpose of Proposed Comprehensive Scheme of Amalgamation of APIS Natural Products Private Limited and Modern Herbals Private Limited into APIS India Limited and their respective shareholders and creditors**

Dear Sir/s,

In connection with the proposed Comprehensive Scheme of Amalgamation of APIS Natural Products Private Limited and Modern Herbals Private Limited ("Amalgamating Companies") into APIS India Limited ("Amalgamated Company") and their respective shareholders and creditors for the proposed Merger under the provisions of Sections 230 to 232 read with Section 66 of the Companies Act 2013 (the '**Scheme**' or the '**Scheme of Amalgamation**').

We, M/s D & A Financial Services (P) Ltd, SEBI registered Merchant Banker, having license no. INM000011484, have been engaged by you to give our fairness opinion on the share entitlement ratio required under scheme of merger done by Jain Gandharv and Associates, Chartered Accounts having its office D 15/15, Ground Floor, Ardee City, Sector 52, Gurgaon-122011, who were appointed valuer for the purposed Scheme of Amalgamation of APIS Natural Products Private Limited and Modern Herbals Private Limited into APIS India Limited.

The Scheme shall be subject to (i) Receipt of approval from the National Company Law Tribunal ("NCLT") and (ii) other statutory approval(s) as may be required in this regard.

### **1. Scope and Purpose of the Opinion**

The management of APIS India Limited has engaged M/s D & A Financial Services (P) Ltd to submit fairness opinion to the Board of Directors on the proposed Scheme of Amalgamation as

For APIS INDIA LIMITED  
*Anil Anand*  
Managing Director 1



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defined above. The scope of this Fairness Opinion includes commenting on the fairness of the Scheme of Amalgamation.

The Fairness Opinion is addressed to the Board of Directors of APIS India Limited, APIS Natural and Modern Herbals. Further, this Fairness Opinion has been issued as per the requirements of 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.

**Disclaimer:** We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the authorized representatives of management of Amalgamating and Amalgamated Companies for the purpose of this Opinion. We have not carried out any independent verification of the accuracy and completeness of all information as stated above and in the Scheme of Arrangement. We have not reviewed any other documents of the Company other than those stated herein. We have not assumed any obligation to conduct, nor have we carried out any independent physical inspection or title verification of the property, investments etc. interests of Companies and accept no responsibility therefore.

We have not reviewed any internal management information statements or any non-public reports and instead with your consent we have relied upon information that was publicly available or provided or otherwise made available to us by Companies for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threatened claims.

## 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         |               |             |
|--|---------------|-------------|
| Details of shareholders as on March 31, 2019 |               |             |
| Particulars                                  | No of Shares  | % Holdings  |
| Vimal Anand                                  | 4,010         | 25.00%      |
| Amit Anand                                   | 4,010         | 25.00%      |
| Prem Anand                                   | 8,020         | 50.00%      |
| <b>Total</b>                                 | <b>16,040</b> | <b>100%</b> |



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:

| <b>Modern Herbals Private Limited</b>               |                |             |
|---|----------------|-------------|
| <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%      |
| <b>Total</b>  | <b>163,200</b> | <b>100%</b> |

Modern Herbals holds 1,43,820 approx. 2.61% equity shares in APIS India also 1,95,000 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.

**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 as under:

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

\*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 arriving at the opinion set forth below, we have relied upon following documents:

- Draft Comprehensive Scheme of Amalgamation between APIS India, Modern Herbals and APIS Naturals
- Share Entitlement Report issued by Jain Gandharv and Associates
- Such other information and explanations as we required and which have been provided by the management of the Companies.
- Shareholding Pattern of APIS India, APIS Natural and Modern Herbals Private Limited as of March 31, 2019.
- Applicable laws and public circulars under SEBI Law and provisions of the Companies Act, 2013.

### 4. Valuation Report.

Based on our analysis of the shareholding pattern of the Companies and relative valuation of the Companies, we are of the opinion that the share entitlement ratio as described below is fair and reasonable for all the shareholders and the Companies involved in the Scheme:

- 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.*
- 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.*

### 5. Rationale of scheme

This Comprehensive Scheme of Amalgamation (hereinafter called 'the Scheme') has been propounded under Sections 230 to 232 read with Section 66 and other relevant provisions of the Companies Act, 2013, for the amalgamation of APIS Natural and Modern Herbals with APIS India and for matters consequential, supplemental and/or otherwise integrally connected therewith.

This Comprehensive Scheme of Amalgamation has been envisaged to consolidate the operations of the group. Both the Amalgamating Companies i.e. APIS Natural and Modern Herbals hold shares in APIS India and constitute the Promoter Group of APIS India. APIS Natural holds 59,220 equity shares, constituting 1.07% of the paid-up equity share capital and Modern Herbals holds 1,43,820 equity shares, constituting 2.61% of paid-up equity share capital. Pursuant to the proposed amalgamation of APIS Natural and Modern Herbals with APIS India, the consolidated assets and funds would vest in a single entity.



The amalgamation would help the management to achieve greater integration and better financial strength. It would have greater efficiency in cash management, unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities.

This amalgamation would not only lead to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with APIS India.

There would be no change in the promoter shareholding of APIS India. The promoters would continue to hold the same percentage of shares in APIS India, pre and post the amalgamation of APIS Natural and Modern Herbals with APIS India.

All costs, charges, taxes including duties, levies and all other expenses, if any, arising out of or incurred in connection with and for implementing this Scheme and matters incidental thereto shall be borne by the Promoters and/or APIS Natural and Modern Herbals. No cost, charges, taxes pertaining to the Scheme shall be borne by APIS India.

Further, the Scheme also provides that Promoters shall indemnify APIS India and keep APIS India indemnified for any contingent liabilities and obligations including all demands, claims, suits, proceedings and the like which may be made or instituted by any third party(ies) including governmental authorities on APIS India and are directly relatable to APIS Natural and Modern Herbals or which may devolve on APIS India on account of this amalgamation.

**6. Conclusion and Opinion**

On the basis of our scope and limitations mentioned in the report and based on our examination of the draft of the Proposed Scheme of Arrangement and on consideration of all the relevant factors as described herein above, we are of the opinion that the proposed scheme of arrangement is fair.

Thanking You

For D & A Financial Services (P) Ltd

(M K Doogar)

Director

Place: New Delhi



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**APPENDIX A****EXCLUSIONS AND LIMITATIONS**

- Our conclusion is based on the information furnished to us being complete and accurate in all material respects.
- We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Companies.
- Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this Opinion. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this Opinion.
- Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement.
- Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- We do not express any opinion as to the price at which shares of the Companies may trade at any time, including, subsequent to the date of this opinion.

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