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THIRTY FIFTH ANNUAL GENERAL MEETING

Day: Thursday

Date: September 28, 2017

Time: 11:00 A.M.

Venue: 18/32, East Patel Nagar, New Delhi – 110 008

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and issued circulars stating that service of notice / documents including Annual Report can be sent by email to its members. To support this new path introduced on the front of the Government in full measure, members who have not registered their email addresses, so far, are requested to send and accordingly register their email addresses on the email provided by the Company greeninitiative@apisindia.com as soon as possible. To register the email addresses, shareholders must send duly filled E-Communication Registration Form appended at the end of this Annual Report.

CORPORATE INFORMATION

<p><u>Board of Directors</u></p> <p><u>Chairman</u> Mr. Deepak Anand (DIN - 00999570)</p> <p><u>Managing Director</u> Mr. Vimal Anand (DIN - 00951380)</p> <p><u>Whole-Time Director</u> Mr. Amit Anand (DIN – 00951321)</p> <p><u>Non Executive Non Independent Director</u> Ms. Prem Anand (DIN – 00951873)</p> <p><u>Independent Non Executive Director</u> Mr. Sushil Gupta (DIN – 01549211) Mrs. Shalini Malik (DIN - 03397744) Mr. Karan Ahooja (DIN – 02688727) Mrs. Sunita Chaddha (DIN – 03398434)</p>	<p><u>Bankers</u></p> <p>Canara Bank (Overseas Branch, New Delhi) IDBI Bank Limited (New Delhi) Kotak Mahindra Bank Limited (New Delhi) Axis Bank (New Delhi) Yes Bank Limited (New Delhi) DBS Limited (New Delhi) State Bank of India (New Delhi) City Bank N.A. (New Delhi) ICICI Bank Limited (New Delhi)</p>
<p><u>Company Secretary</u> Mr. Vikas Aggarwal</p>	<p><u>Registrar & Share Transfer Agent</u></p> <p>M/s Skyline Financial Services Private Limited D – 153A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110 020 Delhi Ph: 011 – 2681 2683 Fax: 011 – 2629 2681 Email: contact@skylinerta.com Website: www.skylinerta.com</p>
<p><u>Registered & Corporate Office</u> APIS INDIA LIMITED 18/32, East Patel Nagar, New Delhi – 110 008 (Delhi) Tel. No. – 011 – 43206666 Fax No. – 011 – 25713631 Email: mail@apisindia.com Website: www.apisindia.com</p>	<p><u>Statutory Auditors</u> M/s Sudhir Agarwal & Associates S – 524, Vikas Marg, Shakarpur, Delhi – 110 092, Delhi</p>
<p><u>Works</u> Unit Khasra No. : 66 – 72, Village Makhiali, Dundi Pargana, Manglore, Roorkee – 247 667 Uttarakhand</p>	

DIRECTORS' & MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting 35th Director's Report along with the Management Discussion and Analysis Report and the Statements of Audited Accounts for the Financial Year ended March 31, 2017.

1. CORPORATE OVERVIEW

Apis India Limited is a leading honey processor in India and is currently having its corporate headquarter in Delhi with manufacturing plant in Roorkee, Uttrakhand.

Your company prepares its financial statements in compliance with Companies Act, 2013 and Accounting Standards, as applicable. The estimates and judgments relating to the financial statements are made on a prudent and reasonable basis, so as to reflect in a true and fair manner. The form and substance of transactions reasonably present your company's state of affairs, profits and cash flow for the year ended March 31, 2017.

2. FINANCE AND ACCOUNTS

The financial statements of your company for the year ended March 31, 2017 have been prepared in accordance with revised schedule VI and accordingly, the previous year figures have been regrouped / recast wherever necessary.

3. FINANCIAL PERFORMANCE

The financial highlights of the company for the year ended March 31, 2017 along with previous year figures are given below:

Particulars	(Amount in Rs. Lacs)	
	March 31,2017	March 31, 2016
Net Sales / Income from Operations	16,274.70	15,318.14
Other Income	86.17	5.16
Less: Interest & Finance Charges	87.07	173.93
Less: Depreciation	182.62	183.30
Profit before Tax	1,493.00	1,413.19

Provision for Tax including the MAT Credit (Netted off) during the year	439.80	119.54
Profit after Tax	1,030.19	1,276.00
Add: Balance in Profit & Loss Account	3,700.05	2,440.92
Amount Available for Appropriation	4,730.24	3,716.92
Appropriations:		
Dividend on Preference Shares	14.00	14.00
Tax on Dividend	2.87	2.87
Reserves excluding revaluation reserves (Closing Balance)	4,713.38	3,700.05

4. FINANCIAL REVIEW

TURNOVER

There has been increase in revenue during the period under review. This year, it has been able to achieve the Net Sales of Rs. 16,274.70 lakhs compare to previous year Rs. 15,318.14 lakhs including revenues from food division. The other Operating Revenue has also been Rs. 661.01 (previous year 503.45 lakhs).

The Other Income which comprises of Interest Income and other miscellaneous income is Rs. 86.17 lakhs as compared to the last year which was Rs. 5.16 lakhs.

The company's export has been increased to Rs. 11,217.77 lakhs from Rs. 11,135.65 lakhs during the year under review achieving a growth of 0.74%

PROFITABILITY AND EARNING PER SHARE

The Operating Profit (Earnings before interest, tax and depreciation) to Rs. 1,762.69 lakhs as compared to Rs.1,770.12 lakhs in the previous year.

During the year, company's net profit after tax is amounted to Rs. 1,030.19 lakhs as compared to Rs. 1,276.00 lakhs in the previous year.

Earnings per share were Rs. 18.70 as compared to Rs 23.16 in the previous year.

TRANSFER TO RESERVES

Your company proposes to transfer 1,030.19 lakhs to Reserve and Surplus account of the balance sheet. This increases the amount of closing balance of the Reserves and Surplus comes to Rs. 4,705.85 lakhs (previous year Rs. 3,693.20 lakhs) after paying the dividend on Preference Shares.

DIVIDEND

Considering the expansion plans of the company, the Board of Directors is unable to recommend any dividend for the financial year ending March 31, 2017 on the Equity Shares of the company.

However, the company has proposed dividend on 4% Preference Shares of the company @ 4% amounting to Rs. 4/- per share. The dividend pay-out amount on preference shares aggregating to Rs. 14.00 lakhs (previous year Rs. 14.00 lakhs). The dividend distribution tax is on the recommended dividend amounts to Rs. 2.87 lakhs (previous year Rs. 2.87 lakhs).

5. OPERATIONS REVIEW

The honey is collected from the beekeepers in the fields and after processing the same ends up in sophisticated export and domestic market where the norms are very stringent regarding honey being a food product.

6. EXPORTS

The continued thrust on export activities and quality of products manufactured by the company has resulted in a phenomenal increase in direct exports from Rs. 11,135.65 lakhs in previous year to Rs. 11,217.77 lakhs in current year showing an increase of about 0.74% (approx.).

7. NUMBER OF MEETINGS OF THE BOARD

The Board met 25 (Twenty five) times in financial year 2017. The maximum interval between any two meetings did not exceed 120 days.

8. BOARD INDEPENDENCE

Definition of Independence of Directors is derived from Regulation 16(1) (b) of the SEBI (LODR) Regulation, 2015 and Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the Directors under section 149(7) of the Companies Act 2013 and on evaluation of the relationships disclosed, the following Non-Executive Directors are considered as Independent Directors:-

Name of the Independent Director	DIN No
Mrs. Shalini Malik	03397744
Mr. Sushil Gupta	01549211
Mrs. Sunita Chaddha	03398434
Mr. Karan Ahooja	02688727

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 149 following are the Directors and KMP of the company:

Category	Name	DIN No.
Executive Director	Mr. Deepak Anand	00999570
Executive Promoter Director (Including Managing Director & Jt. Managing Director)	Mr. Vimal Anand	00951380
	Mr. Amit Anand	00951321
Independent Non- Executive Directors	Mrs. Shalini Malik	03397744
	Mr. Sushil Gupta	01549211
	Mrs. Sunita Chaddha	03398434
	Mr. Karan Ahooja	02688727
Company Secretary	Vikas Aggarwal	

10. COMMITTEES OF THE BOARD

The Company's Board has the following Committees:

1. Audit Committee
2. Nomination and remuneration committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

The details of the membership and attendance of the meetings of the above Committees of the board are provided in the Corporate Governance report of the annual report.

11. INTER CORPORATE LOAN AND INVESTMENTS

The Company has complied with the provisions of sections 186 of Companies act 2013 in relation to loan, Investment & Guarantee given by the company during the financial.

12. RELATED PARTY TRANSACTIONS

A) Name of related parties and description of relationship

- (a) Key Management Personal
 - Mr. Vimal Anand, Managing Director
 - Mr. Amit Anand, Joint Managing Director
 - Mr. Deepak Anand, Chairman
- (b) Relative of Key Management Personnel
 - Mrs. Mansha Anand (Wife of Mr. Vimal Anand), Marketing – Head
 - Mrs. Sakshi Anand (Wife of Mr. Amit Anand), Administration-Head
- (c) Enterprises over which Key Management Personnel exercise Significant influence:
 - One Enterprises, Proprietorship of Amit Anand

B) Related Party Transaction

(Amount in INR Lac)

Sr. No.	Particulars	Key Management Personnel	Relative of key Management Personnel	Enterprises over which managerial personnel exercise significant influence
Details of Transactions				
(1)	Security Deposit against Rent	35.00	35.00	NIL
(2)	Rent(exclusive of service tax)	3.15	11.25	NIL
(3)	Directors Remuneration	108.00		NIL
(4)	Salary		78.00	NIL
(5)	Trading of goods	212.70		212.70

C) Disclosure in respect of material transactions with related parties

(Amount in INR Lac)

Sr. No.	Particulars	Amount
(i)	Security Deposit against Rent	
	Mr. Deepak Anand	35.00
	Mrs. Prem Anand	35.00
(ii)	Rent (exclusive of service tax)	
	Mrs. Prem Anand	16.50
	Mr. Deepak Anand	7.50
(ii)	Director's Remuneration	
	Mr. Vimal Anand	48.00

	Mr. Amit Anand	48.00
	Mr. Deepak Anand	12.00
(iv)	Salary	
	Mrs. Manisha Anand	42.00
	Mrs. Sakshi Anand	36.00
(v)	Trading of goods	
	A- One Enterprises, Proprietorship of Amit Anand	212.70

13. BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on directors' appointment and remuneration and other matters provided in section 178(3) of the Act has been disclosed in the corporate governance report, which forms part of this report.

15. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion & Analysis Report is presented in a separate section, which forms part of this Director's Report.

16. SUBSIDIARY AND ASSOCIATE COMPANY

The Company has 2 associate companies as on 31st March, 2017 within the meaning of section 2(6) of the companies Act, 2013 ('Act')

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	%of shares held	Applicable Section
1	MODERN HERBALS PRIVATE LIMITED	U24239DL2000PTC103411	Associate	100% by Promoters of the Company	2(6)
2	APIS NATURAL PRODUCTS PRIVATE LIMITED	U15139PB1997PTC020686	Associate	100% by Promoters of the Company	2(6)

17. CREDIT RATING

CRISIL Limited is one of the most experienced and leading credit rating agencies in the country today. The grading services offered by CRISIL employ pioneering concepts and methodologies.

CRISIL has assigned rating as follows:

Total Bank Loan Facilities Rated	Rs. 635 Million Enhanced from Rs. 437 Million)
Long Term Rating	CRISIL BBB/Stable (Upgraded from CRISIL BBB-/Stable)
Short term Rating	CRISIL A3+ (upgraded from CRISIL A3)

18. LISTING

The Equity Shares of your company are listed with Bombay Stock Exchange (BSE) Limited.

19. PARTICULARS OF EMPLOYEES

Pursuant to the provisions of Companies Act, 2013 and rules framed there under, names and other particulars of employees are required to be attached to this report.

However as per the Companies Act, 2013, the report and annual accounts of your company sent to the shareholders do not contain the said annexure. Any member desirous of obtaining a copy of said annexure may write to your Company Secretary at the registered office of the company.

20. INSURANCE

All the properties of the company including plants & machinery, stocks, building, etc. are adequately insured and protected against various risks.

21. DEPOSITS

The company has not accepted any deposits from public within the meaning of Section 73 and 76 of the Companies Act, 2013 and rules made there under.

22. DIRECTORS

The Board of Directors of the Company is duly constituted as per the provisions of the Companies act, 2013. There has been no change in the constitution of Board during the year under review i.e. the structure of the Board remains the same.

23. AUDITORS

(A) STATUARY AUDITORS

M/s Sudhir Agarwal & Associates, Chartered Accountants, New Delhi, holds office as a Statutory Auditor until the conclusion of forthcoming Annual General Meeting of the company and are eligible for re-appointment to audit the accounts of the company.

The company has received a requisite certificate, pursuant to Section 139(1) read with rule 4 of companies (Audit and auditors Rules, 2014 and 141 of the Companies Act, 2013 from M/s Sudhir Agarwal & Associates, Chartered Accountants, Statutory Auditor of the company regarding their eligibility for re-appointment as an Auditor of the company.

Auditors Remarks: The Auditor's Report along with Notes on Financial Statements are self – explanatory and do not call for any further comments.

(B) SECRETARIAL AUDIT

Pursuant to provisions of The Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the company has appointed **M/s Umesh Kumar & Associates, New Delhi** a firm of company Secretary in Practice to undertake the secretarial audit of the company for the year 2016-17. The report of the secretarial audit is annexed herewith and marked as **Annexure I**.

24. CORPORATE GOVERNANCE

The company is committed to maintain the highest standards of corporate governance. Your company is in compliance with the requirements and disclosures with respect to the Code of Corporate Governance as required under Regulation 24 of SEBI (LODR) Regulations, 2015. As a listed company, necessary measures are taken to comply with the SEBI (LODR) Regulations, 2015.

A separate section on corporate governance forming part of the Directors' Report and the certificate confirming on corporate governance for the year ended March 31, 2017 from M/s Umesh Kumar & Associates, Company Secretaries, New Delhi is attached hereto and forms part of this Annual Report as **Annexure II**