

FREQUENTLY ASKED QUESTIONS (FAQs)

RIGHTS ISSUE OF COMPULSORILY CONVERTIBLE PREFERENCE SHARES BY API HOLDINGS LIMITED

Set out below are the frequently asked questions (“FAQs”) to guide investors in gaining familiarity with the application process for subscribing to the rights issue of compulsorily convertible preference shares (“Issue” or “Rights Issue”) by API HOLDINGS LIMITED (“Company”) in terms of the letter of offer dated September 16, 2022 (“Letter of Offer”). These FAQs are not exhaustive, nor do they purport to contain a summary of all the disclosures in the Letter of Offer or the entire application process in the Issue or all details relevant to prospective investors (“Investors”). Further, these FAQs should be read in conjunction with, and are qualified in their entirety by, more detailed information appearing in the Letter of Offer, including “Annexure A: Company Information”, Annexure B: General Terms of the Rights Issue Process” and “Annexure F: Restrictions on Purchases and Resales” on pages 4, 53 and 75 respectively, of the Letter of Offer. Readers are advised to refer to the Letter of Offer which is available on the website of the Registrar (www.linkintime.co.in) and the Company <https://www.apiholdings.in/investors>. Unless otherwise defined herein, all capitalised terms shall have such meaning as ascribed to them in the Letter of Offer.

1. What are the details of the Issue?

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| CCPS being offered by the Company | Issue of up to 7,50,00,000 compulsorily convertible preference shares with a face value of ₹1 Each (“CCPS”) |
| Issue Size | Aggregate Amount of ₹ 750,00,00,000 |
| Rights Entitlement Ratio | 1(One) CCPS for every 82 (Eighty Two) fully paid-up Equity Shares held on the Record Date |
| Record Date | September 9, 2022 |
| Issue Price | ₹100 /- per CCPS (Including a Share Premium of ₹ 99/- per CCPS) |
| Terms of conversion of CCPS | Please refer to Clause 5 of Annexure C – Terms of CCPS” on page 68 of the Letter of Offer |
| Dividend on CCPS | 0.0001% p.a. |

* Assuming full subscription

2. What is the Rights Issue schedule?

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|---------------------|----------------------------------|
| Issue Opening Date | September 21, 2022 |
| Issue Closing Date* | October 20, 2022 (until 5.00 pm) |

No withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

3. What is the Rights Entitlement Ratio?

The CCPS are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 1 CCPS for every 82 Fully paid up Equity shares held by the Eligible Equity Shareholders on the Record Date, September 9, 2022.

4. What is the amount to be paid at the time of submitting the Application Form?

Issue Price of CCPS is ₹ 100 per CCPS. Amount payable at the time of Application is ₹ 100 per CCPS (including premium of ₹99 per CCPS).

5. Where I can submit the Application Form/CAF?

You may accept the offer to participate and apply for the CCPS, either in full or in part, by filling up the applicable Part A of the composite application form (“CAF” or “Application Form”) and submit the same along with the Application Money to any of the collection centres as mentioned on the reverse of the CAF, before close of the banking hours on or before the Issue Closing Date. Investors can also send their CAF

together with the cheque drawn at par or a demand draft payable at Mumbai to the Registrar to the Issue, i.e., Link Intime India Private Limited (**'Registrar'**) by registered post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the CAF/SAF attributable to postal delays or if the CAF/SAF is misplaced in the transit. Such applications sent to anyone other than the Registrar are liable to be rejected.

In case of non-receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned in the plain paper application format available on the Registrar's website (www.linkintime.co.in). For further details on the mode of payment, see "*Annexure B: General Terms of the Rights Issue Process - Mode of Payment and Payment Details*" on page 64 of the Letter of Offer.

6. What are the Modes of Payments?

A separate cheque/demand draft must accompany each Application.

All payments should be made by cheque/demand draft drawn on any bank, (including a cooperative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. In the event any Investor is legally or otherwise unable to make payment by way of a cheque or a demand draft, they may request the Company for alternate methods of payment and the Company may, at its sole discretion, provide alternate payment options. Outstation cheques /money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash.

Mode of payment for Resident Investors

All cheques / demand drafts accompanying the CAF should be drawn in favour of "**API Holdings Limited-R** crossed 'A/c Payee only' and should be submitted along with the CAF to the Collection Bank or to the Registrar to the Issue on or before the Issue Closing Date.

Mode of payment for Non -Resident Investors

Non-Resident Investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges drawn in favour of "**API Holdings Limited-R**", crossed 'A/c Payee only' payable at par, in case of non-resident shareholder applying on non-repatriable basis and in favour of "**API Holdings Limited-NR**", crossed 'A/c Payee only' payable at par, in case of non-resident shareholder applying on repatriable basis, directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be superscribed "**API HOLDINGS LIMITED –RIGHTS ISSUE**". Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

7. What are Rights Entitlements?

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form as on the Record Date, i.e., **September 9, 2022** are entitled to the number of Rights Entitlements as set out in their respective Rights Entitlement Letter.

The Registrar has sent Letter of Offer and Application Form to all Eligible Equity Shareholders, through email or physical dispatch, which contain details of their Rights Entitlements based on the shareholding as on the Record Date.

Further, the Eligible Equity Shareholders can also obtain the details of their Rights Entitlements from the website of the Registrar (www.linkintime.co.in) by entering their DP ID, Client ID / Folio No. and PAN.

8. How are Rights Entitlements (REs) issued?

If your name appears as a beneficial owner in respect of the Equity Shares held in the dematerialised form, then you are entitled to the number of CCPS as set out in Part A of the CAF.

9. What happens to Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date?

Rights Entitlements (REs) which are neither subscribed nor renounced on or before the Issue Closing Date shall lapse after the Issue Closing Date. The Board reserves the right to dispose of the unsubscribed portion of the CCPS in a manner which is not disadvantageous to its shareholders and is in the best interest of the Company and its shareholders, in accordance with applicable law. The Company (through its Board) reserves the right to amend the terms of the Rights Issue, subject to applicable laws.

10. How will the Basis of Allotment be decided?

Please refer details mentioned under “Basis of Allotment” on page no. 62 of Letter of Offer.

11. How can an Eligible Equity Shareholder access the details of his respective Rights Entitlement?

Rights Entitlements (REs) are mentioned in the Composite Application Form (CAF). Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar *i.e.*, www.linkintime.co.in by entering their DP ID, Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form as on the record date, *i.e.*, September 9, 2022 and PAN.

12. What are fractional entitlements? What will be the entitlement if a shareholder holds less than 82 shares?

The CCPS are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 1(One) CCPS for every 82 (Eighty Two) Equity Shares fully paid up held as on the Record Date. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 82 (Eighty Two) Equity Shares or is not in the multiple of 82 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional CCPS if they apply for Additional CCPS over and above their Rights Entitlements, if any, subject to availability of CCPS in this Issue post allocation towards Rights Entitlements applied for.

13. What are the dates of allotment of CCPS?

For all valid Application Forms received from Investors along with the application money received, in compliance with the terms and conditions specified in this Letter of Offer and the applicable law on or before 4th working day from the Issue Opening Date, the allotment of CCPS to the extent you are entitled to in this Rights Issue shall be done at the end of 7th working day from the day of Rights Issue Opening Date. For all other valid Application Forms received from Investors along with the application money received in compliance with the terms and conditions specified in this Letter of Offer and the applicable law on or before the Issue Closing Date, the allotment of CCPS to the extent you are entitled to in this Rights Issue shall be done at the end of 10th working day from the Issue Closing Date. Subject to the conditions mentioned herein, in case of one or more applications for additional CCPS, allotment of such additional CCPS shall be done at the end of 10th working day from the Issue Closing Date, subject to the Issue Size, articles of association of the Company, applicable laws, necessary regulatory approvals and at sole discretion of the Board.

For example, if Equity Shareholder 1 is eligible for 100 CCPS and has applied for 100 CCPS on September 22, 2022 and Equity Shareholder 2 is eligible for 100 CCPS and has applied for 300 CCPS on September 23, 2022, then by September 29, 2022 Equity Shareholder 1 and Equity Shareholder 2 shall be allotted 100 CCPS each (*i.e.* to the extent of their entitlement) and the Equity Shareholder 2 may be allotted the remaining 200 CCPS (*i.e.* additional CCPS applied for by Equity Shareholder 2) or such lesser number by November 4, 2022, subject to the Issue Size, articles of association of the Company, applicable laws, necessary regulatory approvals and at sole discretion of the Board.

14. What is the process for Renunciation of Rights Entitlements?

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements either in full or in part, provided the Eligible Equity Shareholder is permitted to renounce in favour of such person in accordance with the provisions of the articles of association of the Company. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

To renounce all the CCPS offered to an Eligible Equity Shareholder in favour of one Renounee

If you wish to renounce your Rights Entitlement indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF in the same order. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renounees, all joint Renounees must sign Part 'C' of the CAF.

A renounee does not have a right to renounce further.

15. Whether any persons who are not existing shareholders of the issuer company as on record date, can apply to the Rights Issue?

No, except through renouncement to them as per the terms of the Letter of Offer, provided the Eligible Equity Shareholder is permitted to renounce in favour of such person in accordance with the provisions of the articles of association of the Company.

16. What are the options available to the Eligible Equity Shareholders in the Rights Issue?

The Application Form will clearly indicate the number of CCPS that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies in the Issue, then such shareholder can:

- apply for such number of CCPS to the full extent of its Rights Entitlements; or
- apply for such number of CCPS to the extent of part of its Rights Entitlements (without renouncing the other part); or
- apply for such number of CCPS to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- apply for such number of CCPS to the full extent of its Rights Entitlements and apply for additional CCPS; or
- renounce its Rights Entitlements in full.

17. Can an application in the rights Issue be made using third party bank account?

Investors can make payment only using bank account held in their own name. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

18. Can a joint bank account be used to make applications on behalf of shareholders?

Joint bank account can be used by the applicant provided they are joint holders in the Bank account.

19. Can an application be made by cash?

No.

20. Can the broker collect the application form and submit the application?

No.

21. How can an Investor understand that the Application has been successfully made?

Investors will be provided acknowledgment / confirmation email upon successful acceptance of Application by the Registrar.

22. How can an Investor understand if the CCPS have been allocated?

The Registrar will send Email Intimation (Allotment/ Refund advice) to all the applicants who have been Allotted CCPS to their email ids registered with the depository participants.

23. What is the process of updating the email ID, phone number and Indian address?

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or the Company, Eligible Equity Shareholders should visit www.linkintime.co.in.

Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and the Company by submitting their respective copies of self-attested proof of address, passport, etc. at api.rights@linkintime.co.in

24. How can an investor apply in the Issue?

The CAF for the CCPS offered as part of the Issue would be printed for all Eligible Equity Shareholders. The CAFs to non-resident Eligible Equity Shareholders shall be sent only to their Indian address, if provided, and shall not be dispatched to any Eligible Equity Shareholders whose addresses are outside of India.

In case the original CAFs are not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and Indian address. However, if the Registrar receives any request for issue of duplicate CAF from Eligible Equity Shareholders having return addresses situated in the United States, the Registrar shall duly forward the requests to our Company and shall not be responsible for dispatch of duplicate CAF to such Eligible Equity Shareholders. In case the signature of the Investor(s) does not match with the specimen registered with our Company, the Application is liable to be rejected.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the CAF or the duplicate CAF attributable to postal delays or if the CAF or the duplicate CAF are misplaced in the transit. Eligible Equity Shareholders should note that those who are making the application in such duplicate CAF should not utilize the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Equity Shareholder violates any of these requirements, he/she shall face the risk of rejection of both the Applications.

25. What is the procedure for making plain paper application and where can the plain paper application be submitted?

An Eligible Equity Shareholder shall submit the plain paper Application in the format provided on the Registrar's website (www.linkintime.co.in) at one of the collection centres of the Collecting Bank (as identified in the CAF) along with cheque/demand draft. A non-resident Investor may also submit applications on plain paper provided it is submitted to one of the collection centres of the Collection Bank or mailed to the Registrar from India and the Indian address of the Investor has been provided in the plain paper application for all communications in relation to the Rights Issue.

26. Can an Investor apply for Additional CCPS?

Eligible Equity Shareholders are eligible to apply for additional CCPS over and above their Rights Entitlements, provided that they are eligible to apply for CCPS under applicable law and they have applied for all the CCPS forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional CCPS applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised. Further, supplementary applications submitted by the Eligible Equity

Shareholders in relation to additional CCPS over and above their Rights Entitlements will not be treated as multiple applications.

Eligible Equity Shareholders who renounce whole or part of their Rights Entitlements cannot apply for additional CCPS. Further, Renouncees who are not Equity Shareholders of the Company as on the Record Date cannot apply for additional CCPS.

27. Will share certificates be provided to shareholder holding Equity Shares in a physical form if demat account is not provided?

Since the Allotment is in dematerialised form, no share certificates will be provided to shareholder holding Equity Shares in a physical form.

28. Why will physical share certificates not be issued to successful Allottees in Rights Issue?

Allotment of CCPS shall be made in dematerialised form only.

29. Is there any restriction on total investment amount / CCPS?

Investors are required to ensure that the number of CCPS applied for by them do not exceed the investment limits or maximum number of CCPS that can be held by them prescribed under the applicable law. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction. Any person who makes an application to acquire Rights Entitlements and the CCPS offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the CCPS in accordance with the legal requirements applicable in such person's jurisdiction and India, without requirement for the Company to make any filing or registration in any jurisdiction.

30. What will be the treatment of Multiple Applications?

The Investors shall submit only one Application Form for the Rights Entitlements available in a particular demat account. However, supplementary applications submitted by the Eligible Equity Shareholders in relation to additional CCPS over and above their Rights Entitlements will not be treated as multiple applications.

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications.

In cases where multiple Application Forms are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall also be treated as multiple applications and are liable to be rejected.

31. Whether Overseas Investors can participate in rights Issue?

Applications received from NRIs and non-residents Investors for allotment of CCPS in the Rights Issue shall be among other things, subject to the conditions imposed from time to time by RBI under the Foreign Exchange and Management Act, 1999 and rules and regulations made thereunder, in the matter of Application, refund of Application Money, Allotment of CCPS and issue of allotment advice.

The CCPS to be issued pursuant to the Rights Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The CCPS may not be offered or sold, directly or indirectly, and this Letter of Offer may not be distributed, in whole or in part, in or into (i) the United States (other than to U.S. QIBs (as defined below) or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States (other than to U.S. QIBs) or (ii) in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person

to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to the CCPS to be issued pursuant to the Rights issue and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer should not distribute or send this Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject the Company or its affiliates to any filing or registration requirement. If this Letter of Offer is received by any person in any such jurisdiction or the United States (other than to U.S. QIBs), they must not seek to subscribe to the CCPS to be issued pursuant to this Rights Issue.

Any person who makes an application to acquire the CCPS offered in the Rights Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the CCPS in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for the Company or our affiliates or financial advisors to make any filing or registration.

32. Are there any additional documents to be submitted by non-resident investors?

If an NRI or non-resident Investor has specific approval from RBI or other government authority in connection with his/her/their shareholding in the Company, such person should enclose a copy of such approval with Application details along with the Application Form. It will be the sole responsibility of the Investor to ensure that the necessary approval from the RBI or the government authority is valid in order to make any investments in the Rights Issue and the Company will rely on the validity of such approvals provided by the Investors while making the allotments in this Rights Issue.

All non-resident Investors shall submit requisite FCTRS forms and their regulatory approvals (if applicable) along with the Application Form on or before the Issue Closing Date to enable the Company to confirm that the transfer of shares post initial issuance by the Company have been in compliance with the applicable laws. Any failure to submit the requisite FCTRS and other regulatory approvals (if applicable) shall result in the rejection of the Application Form submitted by such Investor. Further, the Company may request such other additional document as it may require to ensure compliance with applicable laws, and the Investors will be required to provide such additional documents within 2 working days, failing which the Company will be entitled to reject/disqualify the Investor from participating in the Rights Issue.

All non-resident investors are mandatorily required to fill in and submit declaration under the Foreign Exchange Management Act, 1999, read with the rules framed thereunder, for compliances with the Press Note No. 3 (2020 Series) dated April 17, 2020, issued by Department for Promotion of Industry and Internal Trade, Government of India, as applicable, in the format given in Appendix A of the Application Form ("**PN3 Declaration**"). Failure to submit the duly signed PN3 Declaration shall result in the rejection of the Application Form of the concerned Investor.