

COMPLIANCE CERTIFICATE

(Pursuant to Regulation 163(2), Part III of Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018 including any amendment/modification thereof)

To

The Board of Directors

APOLLO MICRO SYSTEMS LIMITED

CIN: L72200TG1997PLC026556

Registered Office:

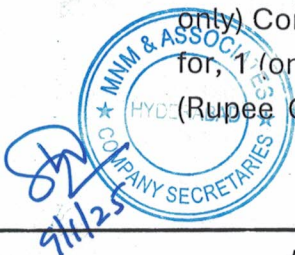
Plot No 128/A, Road No. 12, BEL Road, IDA Mallapur,
Uppal Mandal, Hyderabad, Rangareddi, Telangana, India – 500076.

Dear Sir/Madam

I, Ms. Sridevi Madati, Practising Company Secretary and Partner of M/s. MNM and Associates, firm of Practising Company Secretaries (Firm Registration No. P2017TL059600), Hyderabad have been appointed by Apollo Micro Systems Limited (hereinafter referred to as 'Company'), having CIN L72200TG1997PLC026556 and having its Registered Office at Plot No 128/A, Road No. 12, Bel Road IDA Mallapur, Uppal Mandal, Hyderabad, Rangareddi, Telangana, India- 500076 to issue this Compliance Certificate in accordance with Regulation 163(2) of Chapter V of SEBI (Issue of Capital and Disclosure Requirements), Regulations, 2018 as amended from time to time, (hereinafter referred to as "**Regulations**").

In accordance with the Regulations, the Company has proposed issue of

1. 3,29,18,806 (Three Crores Twenty-Nine Lakhs Eighteen Thousand Eight Hundred and Six only) Equity Shares having face value of ₹ 1/- each (Rupee One Only) "**Equity Share(s)**" at a price of ₹ 114/- (Rupees One Hundred and Fourteen Only) each payable in cash aggregating upto ₹ 375,27,43,884 /- (Rupees Three Hundred and Seventy Five Crores Twenty Seven Lakhs Forty Three Thousand Eight Hundred and Eighty Four Only) and
2. 3,86,67,059 (Three Crores Eighty-Six Lakhs Sixty-Seven Thousand and Fifty-Nine only) Convertible Equity Share Warrants, each convertible into, or exchangeable for, 1 (one) fully paid-up equity share of the Company having face value of ₹ 1/- (Rupee One Only) ("**Equity Share(s)**") each at a price (including the Warrant



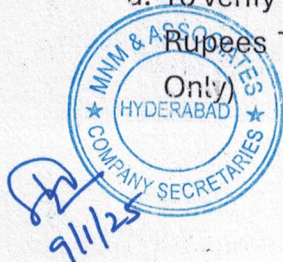
Subscription Price and the Warrant Exercise Price) of ₹ 114/- (Rupees One Hundred and Fourteen Only) each payable in cash (“Warrant Issue Price”), aggregating upto ₹ 440,80,44,726/- (Rupees Four Hundred and Forty Crores Eighty Lakhs Forty Four Thousand Seven Hundred and Twenty Six Only)

Hereinafter called the (**‘Proposed Preferential issue’**).

The proposed preferential issue was approved at the Meeting of Board of Directors of the Company held on January 09, 2025.

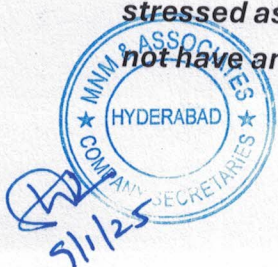
On the basis of the relevant management inquiries, necessary representations and information received from/furnished by the management of the Company, as required under the aforesaid Regulations, I have verified that the issue is being made in accordance with the requirements of these Regulations as applicable to the preferential issue, more specifically, the following:

- i. Memorandum of Association and Articles of Association of the Company;
- ii. The Present capital structure including the details of the Authorised, Subscribed, Issued and Paid up share capital of the Company along with the shareholding pattern;
- iii. Resolutions passed at the meeting of the Board of Directors;
- iv. List of proposed allottees;
- v. The relevant date in accordance with Regulation 161 of the Regulations. The relevant date for the purpose of said minimum issue price was January 03, 2025;
- vi. The statutory registers of the Company and List of shareholders issued by RTA:
 - a. to note that the equity shares are fully paid up.
 - b. all equity shares held by the proposed allottees in the Company are in dematerialized form.
- vii. Disclosures under the SEBI (Prohibition of Insider Trading) Regulations, 2015 & the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, if any, made by proposed allottees during the 90 trading days preceding the relevant date;
- viii. Details of buying, selling and dealing in the Equity Shares of the Company by the proposed allottees, Promoter or Promoter Group during the 90 trading days preceding the relevant date;
- ix. Permanent Account Numbers of the proposed allottees, except those allottees who are exempt from specifying their Permanent Account Number for transacting in the securities market by the Board;
- x. Draft notice of General Meeting and Explanatory Statement:
 - a. To verify the increase in authorised share capital from existing ₹ 36,00,00,000/- (Rupees Thirty Six Crores Only) to ₹ 45,00,00,000/- (Rupees Forty Five Crores



- b. to verify the disclosure in Explanatory Statement as required under Companies Act, 2013 & the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 163(1) of the Regulations.
- b. to verify the tenure of the convertible securities of the company that it shall not exceed eighteen months from the date of their allotment.
- c. to verify the lock-in period as required under Regulation 167 of the Regulations
- d. to verify the terms for payment of consideration and allotment as required under Regulation 169 of the Regulations.
- xi. Computation of the minimum price of the Equity Shares and convertible equity warrants to be allotted in preferential issue is in accordance with the Regulations. The minimum issue price for the proposed preferential issue of the Company, based on the pricing formula prescribed under these Regulations has been worked out at ₹ 113.89/- (Rupees One Hundred and Thirteen and Eighty-Nine paise Only). The Board of the Company has fixed the Equity Allotment Price (including premium of ₹ 113/- (Rupees One Hundred and Thirteen Only) and Warrant Issue price (i.e. the price including the Warrant Subscription Price and the Warrant Exercise Price) of ₹ 114 /- (Rupees One Hundred and Fourteen Only) which is higher than the Minimum Price as determined in compliance with the requirements of the Regulations.
- xii. Board/shareholders' resolution and statutory registers to verify that promoter(s) or the promoter group have not failed to exercise any warrants of the Company which were previously subscribed by them;
- xiii. The pricing of Warrants is as per Regulation 164 and 166A of the Regulations and after taking into consideration the value determined by the Registered Valuer.
- xiv. Valuation Report of the assets done by the Independent Registered Valuer for issuance of securities for consideration other than cash and its submission to the stock exchanges where the equity shares of the Company are listed; (**not applicable**)
- xv. Verified the relevant statutory records of the company to confirm that:
- a. it has no outstanding dues to the SEBI, the stock exchanges or the depositories.
- b. it is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the stock exchanges where the equity shares of the Company are listed and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015, as amended, and any circular or notification issued by the Board thereunder.

Additional verification in case of preferential issue of shares of companies having stressed assets as per Regulation 164A is not applicable since the Company does not have any stressed assets.



- xvi. disclosures w.r.t. the defaults relating to payment of interest/ repayment of principal amount on loans in terms of SEBI Circular dated November 21, 2019; **Not applicable**
- xvii. The Inter-creditor agreement in terms of Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019 dated June 07, 2019; - **Not applicable**

It is the responsibility of the Management to comply with the requirements of the Regulations, including the preparation and maintenance of all accounting and other relevant supporting records, designing, implementing and maintaining internal control relevant to preparation of notice and explanatory statement, determination of relevant date & minimum price of warrants and making estimates that are reasonable in the circumstances.

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the Company.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We are not expressing any opinion on the price computed / calculated and/or the price at which the warrants are being issued by the Company.
4. This certificate is solely for the intended purpose of compliance in terms of aforesaid Regulations and for your information and it is not to be used, circulated, quoted or otherwise referred to for any other purpose other than compliance with the aforesaid Regulations.

Certification:

Based on our examination of such information/documents and explanation furnished to me by the management and employees of the Company and to the best of my knowledge and belief, I hereby certify that proposed preferential issue is being made in accordance with the requirements of the Regulations.

For **MNM & Associates**

Company Secretaries

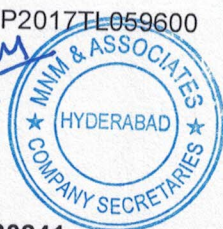
Firm Registration No. P2017TL059600

9/1/25
Sridevi Madati
Partner

M.No.F6476

COP 11694

UDIN F006476F003630241



Date: **January 09, 2025**

Place: **Hyderabad**