

Date: 22<sup>nd</sup> August, 2025

<b>To,</b> The Corporate Relations Department, <b>BSE Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	<b>To,</b> Listing Department, <b>National Stock Exchange of India Ltd.,</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
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**Scrip Code: 540879**

**Symbol: APOLLO**

**ISIN: INE713T01028**

Dear Sir(s),

**Sub: Annual Report of the Company for the financial year 2024-25 along with the Notice of the 28<sup>th</sup> Annual General Meeting**

This is to inform that the 28<sup>th</sup> Annual General Meeting ("AGM") of the Members of the Company is scheduled to be held on Tuesday, 16<sup>th</sup> day of September, 2025 at 11:30 A.M. (IST) through Video Conferencing / Other Audio-Visual Means in accordance with relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India time to time.

Pursuant to Regulation 34(1) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year ended 2024-25 which is being sent only through electronic mode to the Members.

The Annual Report containing the Notice is also uploaded on the Company's website [https://apollo-micro.com/wp-content/uploads/2025/08/Annual\\_Report\\_FY\\_2024\\_25.pdf](https://apollo-micro.com/wp-content/uploads/2025/08/Annual_Report_FY_2024_25.pdf)

We request you to kindly take the above on record and bring to the notice of all concerned.

Thanking You

Yours Faithfully

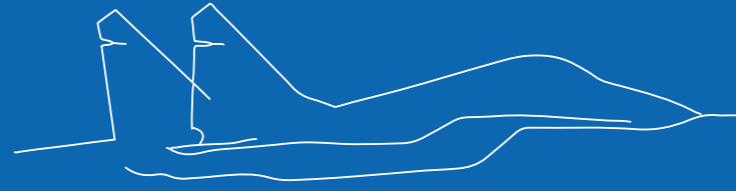
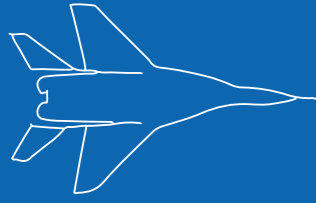
**FOR APOLLO MICRO SYSTEMS LIMITED**

**RUKHYA PARVEEN**  
**COMPANY SECRETARY & COMPLIANCE OFFICER**



**“Kingdoms are built by *Conquering*,  
Empires are built by *Alliances*.”**

***“We Commit, We Deliver”***



## Kingdoms are made by Conquering, Empires are built by Alliances

**At Apollo Micro Systems, we are committed to empower India's defence and aerospace capabilities, with our world-class high-tech innovation, manufacturing excellence and a dedicated army of talents.**

Our sustained investments in indigenous technologies, coupled with our alignment to national defence priorities such as 'Atmanirbhar Bharat', continue to strengthen our position as a trusted partner in India's evolving defence ecosystem.

FY25 also saw us achieve a significant strategic milestone such as acquisition of IDL Explosives Ltd. This marks a new chapter in our journey as we move closer to becoming a fully integrated Tier-1 defence Original Equipment Manufacturer (OEM). The acquisition not only enhances our manufacturing capabilities, but also broadens our solutions portfolio across critical areas of India's defence supply chain.

Our strategic alliances and acquisitions position us for greater impact and scale in the sectors where we operate. Our future growth roadmap is underpinned by a healthy order book and multiple products entering the production phase.

We are gradually entering into a unique ecosystem and league of companies, who can supply complete weapon platforms to the nation.

**We are positioned to seek new growth horizons and build enduring empires of value through strategic alliances and acquisitions.**

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### Forward-looking statements

This Report contains statements about expected future events and financials of Apollo Micro Systems Limited, which are forward-looking. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate and actual future results and events may differ materially from those expressed in the forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update these forward-looking statements which reflect events or circumstances, after the publication of this document.

## About Us

# Empowering India's indigenous defence and aerospace capabilities

Apollo Micro Systems Limited (AMS), founded in 1985 and headquartered in Hyderabad, is a trusted provider of mission-critical electronic and electromechanical solutions for India's defence and aerospace sectors.

With over 40 years of domain expertise, AMS has played a key role in advancing national defence capabilities across strategic areas, including Missile Systems, Naval Platforms, Avionics, Satellite and Space Systems and Homeland Security.

This streamlined capability enables us to deliver fully engineered systems that are robust, agile, and built to perform flawlessly under extreme operational conditions. Our technology supports defence operations on land, at sea, in the air, and beyond the atmosphere.

We bring to the table 700+ onboard technologies and offer customised Commercial Off-the-Shelf (COTS) solutions, especially tailored to the critical needs of defence and space clients. Whether it is secure communication systems, underwater warfare electronics or AI-enabled defence platforms, our unwavering focus is on delivering solutions that meet the high-stakes demands of modern warfare and national security.



### Vision

To emerge as a world-class company and a unique solution provider with "Total Solutions Under One Roof"



### Mission

"Convert Your Concepts into Reality"



### Values



Knowledge



Responsibility



Value creation



Entrepreneurialism



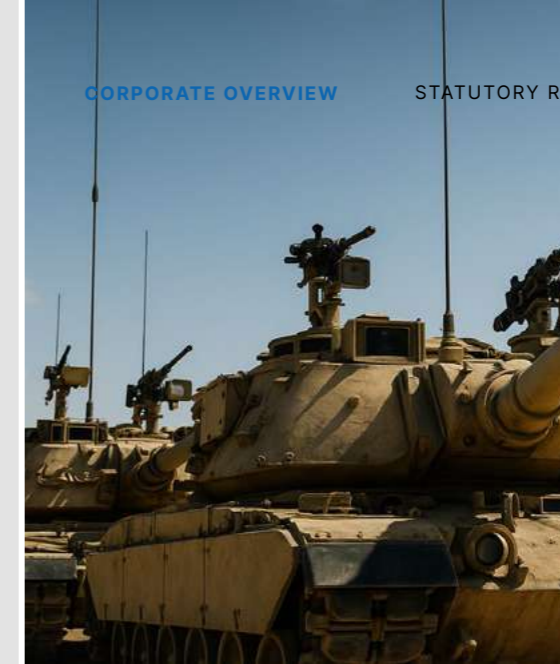
Customisation



Integrity

### Strategic Domain Coverage

Expertise spanning Missile Defence, Naval Systems, Avionics, Space Systems and Homeland Security.



### Fully Integrated Capabilities

In-house R&D, design, assembly, manufacturing and testing under a single umbrella.

### Mission-Ready Engineering

Systems designed for durability, precision and zero failure in high-risk environments.



### Strategic Domain Coverage

Expertise spanning Missile Defence, Naval Systems, Avionics, Space Systems and Homeland Security.

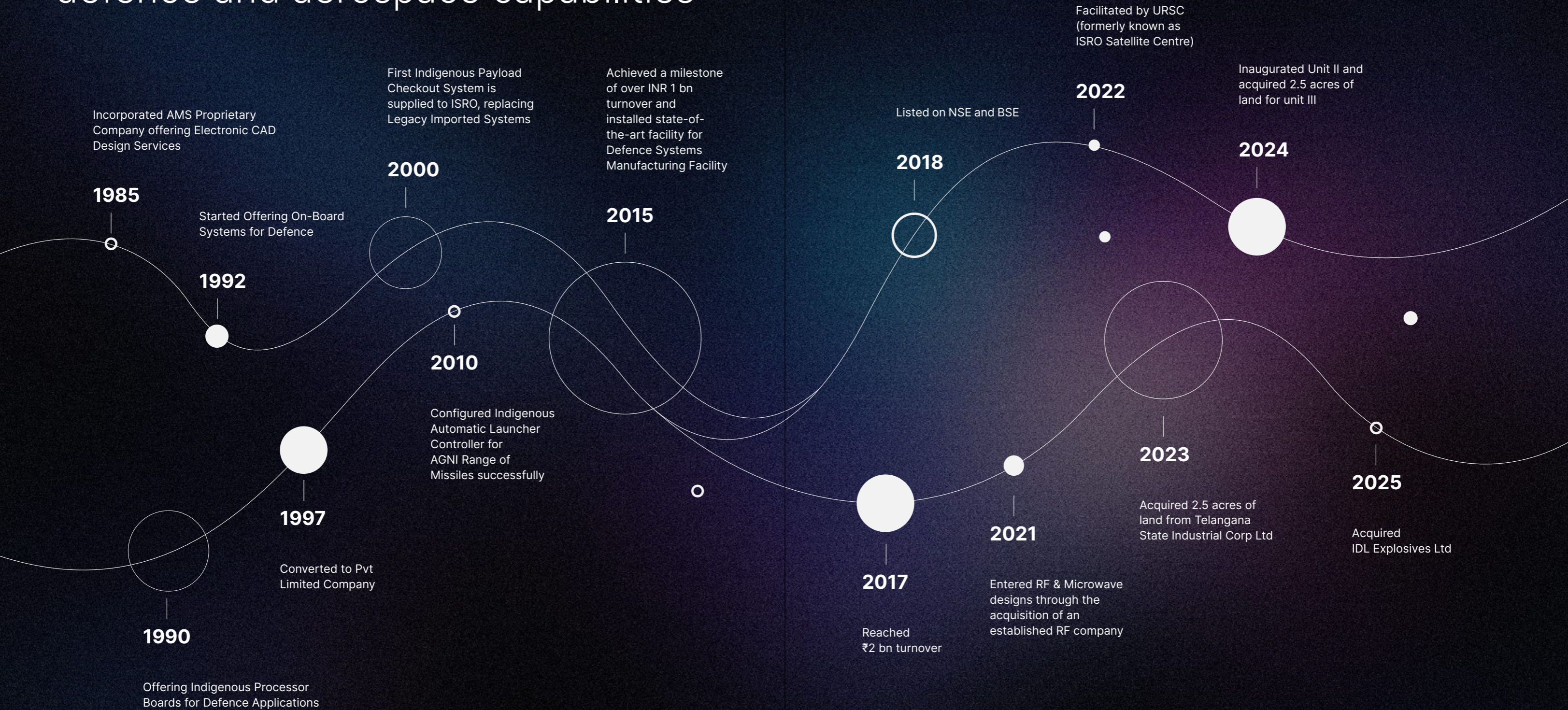


### Fully Integrated Capabilities

In-house R&D, design, assembly, manufacturing and testing under a single umbrella.

## About us

# Empowering India's indigenous defence and aerospace capabilities



## Chairman's Message

# Contributing to the vision of Atmanirbhar Bharat



### Dear Shareholders,

On behalf of the Board of Directors, it is my privilege to address you at the close of a remarkable financial year for Apollo Micro Systems Limited. This has been a year marked by disciplined execution, strategic clarity, and a reinforced commitment to self-reliance through the Make in India initiative.

A notable milestone was the strategic acquisition of IDL Explosives Limited, a move that significantly strengthens our manufacturing footprint and positions us further upstream in the defence value chain. In an industry defined by complex, bespoke solutions and national security imperatives, this acquisition enhances our ability to deliver integrated systems that span electronics, explosive filling, and end-to-end assembly.



Finally, I would like to take this opportunity to express our sincere gratitude to our shareholders for their continued trust, to our customers for their valuable feedback and to our dedicated team for their unswerving commitment.

Over four decades, AMS has evolved with the sector. From a technology-centric enterprise, we have transitioned into a full-spectrum production and integration partner to the defence ecosystem. This transformation has yielded predictable revenues and enhanced resilience. Our revenue grew by 51.24% to ₹562.07 crore, while EBITDA rose by 54% to ₹132 crore strong indicators of our execution strength and scalable business model.

### Strengthening Our Frontiers

The nature of modern warfare continues to evolve, with hybrid threats, autonomous platforms, and asymmetric warfare becoming central themes. These shifts underscore the urgency for technological superiority and strategic autonomy. India has responded with clarity ramping up defence budgets, prioritising indigenisation, and laying the groundwork for a robust domestic defence industry. Today, India stands among the world's top defence spenders, signalling both opportunity and responsibility for companies like ours.

AMS is at the forefront of this transformation. Our deep capabilities in rugged electronics, control systems, and integration of mission-critical components make us a natural partner in national defence preparedness. We support over 150 active indigenous programmes spanning missiles, torpedoes, ground support systems, and naval combat systems. A recent example of our growing relevance is our systems' successful deployment during Operation Sindoor a testimony to the precision and dependability of Indian-developed solutions.

### Charting Our Growth Trajectory through Strategic Alliances

In a rapidly changing landscape, long-term success is defined not just by innovation, but also by strategic consolidation. Our acquisition of IDL Explosives is a decisive step towards vertical integration allowing us to combine warhead and fuze

manufacturing with electronic systems engineering to deliver complete munitions and guided weaponry.

This acquisition opens doors for greater participation in full-system contracts involving mines, warheads, Rockets Motors and specialised ordnance. It also strengthens our cost structures, improves operational integration, and enhances delivery capabilities. Combined with ongoing MoUs with leading PSUs such as Bharat Dynamics Limited (BDL) and Garden Reach Shipbuilders and Engineers (GRSE), we are well-placed to serve national-level procurement programmes that demand both scale and complexity.

### Growing from One Milestone to Another

To match our expanding role, we are undertaking significant infrastructure development. Our Unit-2 at Adibatla is slated to commence production by Q2 FY26, while Unit-3, a flagship 350,000 sq. ft. facility with a proposed capex of ₹250 crore, is under phased construction. This facility will house integrated production lines, state-of-the-art testing chambers, and will act as a consolidated hub for our high-end systems manufacturing.

These expansions will enable greater operational independence, reduce external dependencies, and improve delivery lead times factors critical in the defence production ecosystem. At the heart of this growth lies our team. Their adaptability, skill, and commitment continue to be the cornerstone of our success. We are investing in their future with skill upgradation, cross-functional learning, and structured leadership pipelines.

### Pushing the Limits of Possibilities

Our ambition is guided by a strong foundation of corporate governance, transparency, and sustainability. We remain committed to upholding the highest ethical standards, fully compliant with regulatory frameworks and proactive in embedding ESG

principles across operations. Our AS 9100D and ISO 14001 certifications reflect our adherence to global benchmarks in quality and environmental stewardship. Our new infrastructure is also being designed with sustainability at its core from energy-efficient layouts to green material sourcing.

As we enter FY26, we do so with conviction and optimism. Our strategic direction is clear, our capabilities are growing, and our commitment to national service remains unwavering. I extend my heartfelt thanks to our shareholders, customers, employees, and partners for your continued trust and belief in our journey.

Together, we will continue to shape India's defence future and deliver sustainable, long-term value to all our stakeholders.

Regards,

**Raghupathy Goud Theegala**  
Chairman

## Managing Directors Message

# Strategic. Innovative. Resilient.



Dear Shareholders,

As global geopolitical uncertainties intensify and conflict zones continue to proliferate, the importance of strategic autonomy has never been more pronounced. What was once a policy ambition “Atmanirbharta” has now become a national necessity. Ensuring national security in today’s complex environment requires India to rapidly reduce its external dependencies and build a robust, indigenous defence ecosystem.

Our remarkable journey this year has been fuelled by the dedication, adaptability and resilience of our people.

In this context, Apollo Micro Systems Limited (AMS) has remained firmly aligned with India’s strategic goals, reinforcing our role as a trusted partner in advancing self-reliant defence capabilities. While we have achieved numerous technological milestones through relentless innovation, we understand that lasting impact stems from visionary partnerships, deep-rooted capabilities, and a diversified product portfolio. As I present this Annual Report for FY 2024–25, I take this opportunity to reflect on the year’s key achievements and share our strategic outlook.

### Fortifying the foundation of our kingdom

#### Building on our financial excellence

FY25 marked a transformational year for AMS. Our consolidated revenue from operations reached ₹562.07 crore, representing an impressive 51.24% year-on-year growth. This performance was propelled by the seamless transition of several key development programmes into serial production, efficient execution of high-value system integration projects, and enhanced throughput driven by facility expansions and process automation.

This growth trajectory also translated into healthy profitability. Our EBITDA surged by 54% to ₹132 crore, resulting in a robust EBITDA margin of 23.5%, while net profit witnessed a substantial increase of 81.18% a clear validation of our disciplined cost structure and strategic focus on value-accretive segments.

#### Bolstering our operational core

Our evolving business model has led to more predictable revenue cycles, higher capacity utilisation, and improved operating leverage. To support this growth, we made targeted investments in infrastructure. Our Unit-2 at Adibatla became partially operational during the year and now houses advanced integration bays and cleanroom facilities.

Simultaneously, our upcoming Unit-3 facility at Hardware Park-II, spanning

350,000 sq. ft., is nearing completion. This unit will significantly expand our capacity to manufacture critical components such as fuzes, mines, and inertial navigation systems.

Complementing this growth, we commissioned a suite of high-end test facilities including EMI/EMC labs, environmental chambers, and vibration rigs enabling internal qualification and significantly reducing time-to-market for complex defence systems.

### Strengthening the pillars of our empire through strategic brilliance

#### Fuelling growth through innovation

At AMS, innovation is at the heart of everything we do. During FY25, our R&D team made pioneering advancements across multiple domains, including the development of advanced fuze electronics, ASW Rockets, rugged avionics modules, and torpedo homing systems and many more.

A defining moment in our innovation journey was the strategic acquisition of IDL Explosives Limited, through which we synergised our electronics and systems integration expertise with IDL’s proven capabilities in explosives and warheads. This integration now empowers us to develop end-to-end weapon solutions. Notably, AMS is the Transfer of Technology (ToT) holder for the DRDO-developed Prachand Anti-Tank Mine.

#### Accelerating momentum by nurturing our key enablers

Our achievements this year are a direct result of the agility, dedication, and vision demonstrated by our people. The scale-up to production demanded a cultural and operational shift one that our teams embraced with commitment and excellence.

We ramped up skill development by scaling IPC-certified training, onboarding seasoned production professionals, and investing in leadership development to prepare the next layer of strategic talent.

### Expanding our frontiers strategically

- Looking ahead, we remain optimistic about maintaining our growth trajectory. We anticipate revenue to grow at a CAGR of 45–50% over the next two years, excluding the incremental contribution from IDL Explosives, which will be consolidated into our financials starting Q2 FY26.

Additionally, we expect continued improvement in operating margins and a reduction in our working capital cycle by 100–120 days from FY27, as a larger share of our order book transitions into serial production mode.

Funds raised through our recent equity issuance are being strategically deployed towards:

- Completion of Unit-3 infrastructure,
- Acquisition of advanced test and production equipment,
- Supporting working capital needs for large-scale programme deliveries.

In conclusion, FY25 was a defining year in AMS’s journey. We delivered strong financial results, advanced our technical capabilities, and laid a robust foundation for the future. I extend my sincere thanks to our employees for their passion and perseverance, and to our shareholders and partners for their trust and unwavering support.

With resilience, innovation, and strategic clarity, AMS is well-positioned to play a leading role in shaping India’s defence future and to deliver enduring value to all stakeholders.

Yours Faithfully,

**Mr. Karunakar Reddy Baddam**  
Managing Director

## Financial Highlights

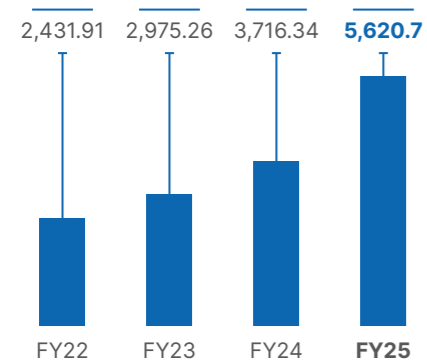
# Delivering robust performance

Operating in an uncertain macro environment, our revenue growth for FY25 was driven by a strong order book and the transition of several products into the production phase. Our EBITDA (excluding other income) also exhibited remarkable growth.

In a business defined by tailored, complex and mission-critical solutions, the product mix and the delivery cycles of each product vary significantly based on the client-specific requirements. Therefore, our annual performance remains the most meaningful benchmark for evaluating our financial and operational progress.

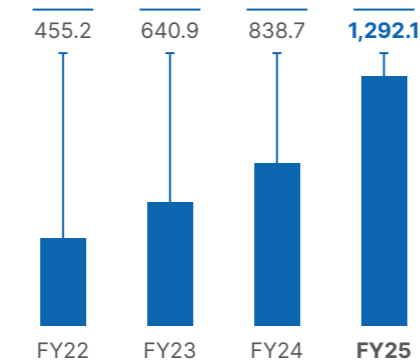
### Revenue from Operations

(₹ in million)



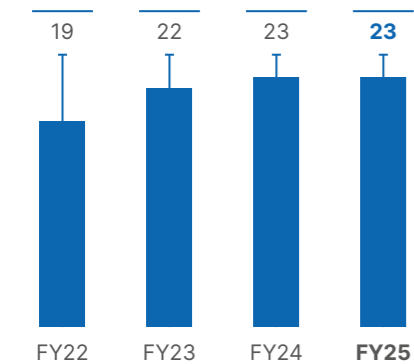
### EBITDA (Ex other income)

(₹ in million)



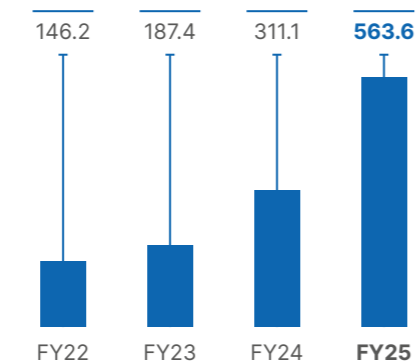
### EBITDA Margin\*

(in %)



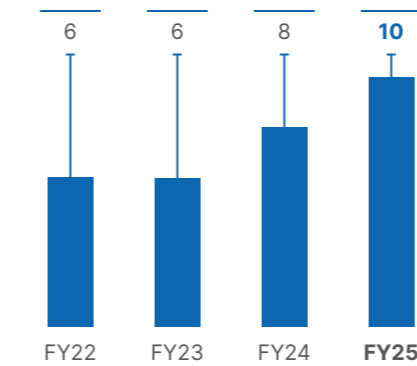
### PAT

(₹ in million)



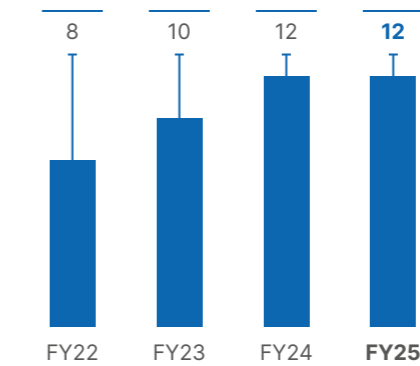
### PAT Margin

(in %)



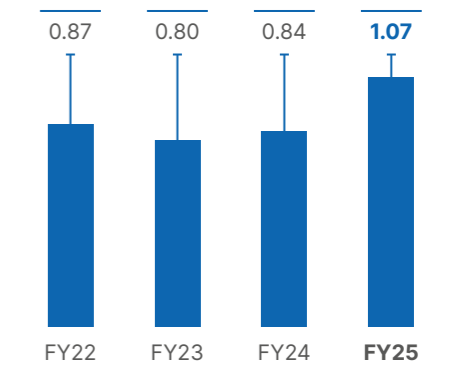
### ROCE

(in %)



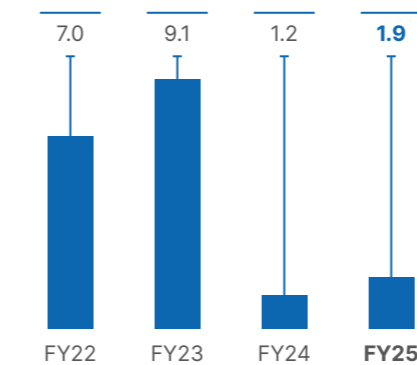
### Debt-Equity Ratio

(₹ in million)



### EPS

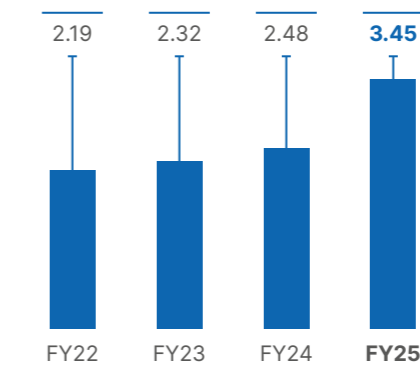
(in ₹)



Note: The EPS got reduced as there was 1:10 share split

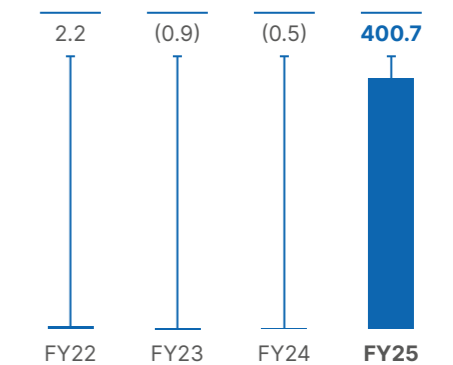
### Interest Coverage Ratio

(₹ in million)



### Net Change in Cash and Cash Equivalents

(₹ in million)



\* Including Other Income

## What We Offer

# Empowering Defence Frontiers with Precision Technology

At Apollo Micro Systems, we deliver advanced, indigenous technology solutions that serve critical defence and aerospace applications. Our offerings span across multiple strategic domains, designed to enhance operational readiness and system reliability.



## Missile Defence

We are pioneers in weapon system electronics, offering integrated solutions that ensure precision, safety, and operational control. Our offerings include:

- Seeker Signal Processors
- Safety Arming Mechanisms
- Guidance and Navigation Systems
- Linear & Rotary Electromechanical Actuators
- Onboard Computers and Controllers



## Naval Defence

We empower naval forces with ruggedised sonar and electronic systems that operate reliably in harsh maritime environments. Our portfolio covers:

- Ship and Air Launched Torpedo Electronics
- Submarine and Shipborne Power Supplies
- Sonar Power Amplifiers
- Expendable Decoys and Turret Control Systems
- Underwater Mines and Moored Mines
- Anti-Submarine Warfare Rockets



## Ground Defence

Our ruggedised systems strengthen ground combat platforms, enhancing situational awareness and fire control. Key systems include:

- Stabilised Turret Control
- Tactical Data Link Modems
- Intelligent Vehicle Data Monitoring
- Navigation Systems
- Mine Detection and Signal Processing

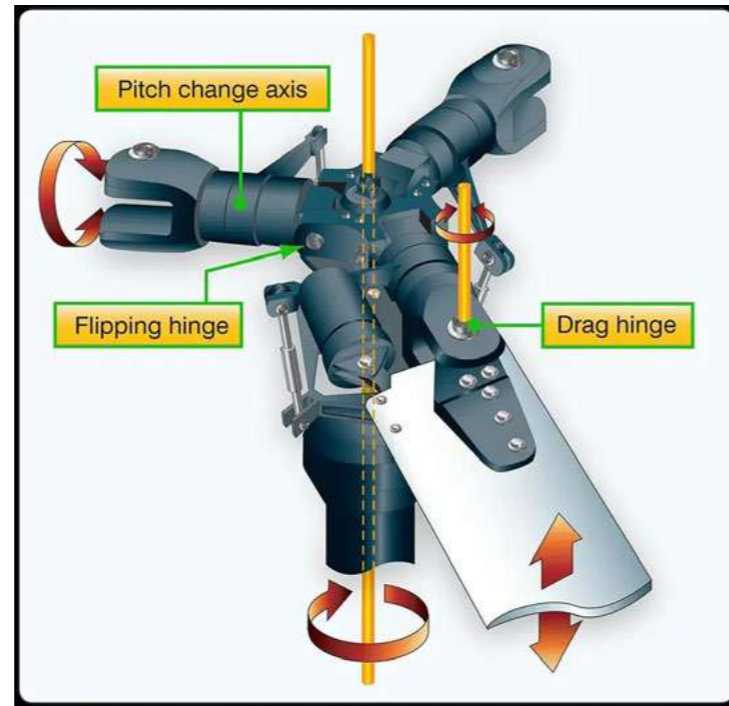




## Avionics

We power the aerospace domain with safety-critical avionics for defence aircraft and helicopters. Our key avionics offerings include:

- Torpedo Control Panels
- PCM Encoders & Decoders
- Unified Avionics Computers
- Launcher and Cruise Vehicle Relay Units



## Space

We deliver subsystem-level components tailored for space-qualified performance, ensuring robustness and mission success in orbit.



## Homeland Security

Apollo's solutions for homeland defence include surveillance electronics, secured communication interfaces, and advanced data processing systems designed for quick deployment and reliable operation.



## Fortifying Our Product Profile in Munitions

We continue to deepen our role in India's defence production ecosystem by expanding our munitions portfolio. Our offerings include:

- Underwater Mines and Moored Mines
- Limpet Mines
- Anti-Submarine Warfare Rockets
- Medium-Range Aerial Rockets
- Aerial Bombs
- Safety Arming Mechanisms

We have also been awarded Transfer of Technology (ToT) by the Defence Research and Development Organisation (DRDO) for critical munitions hardware:

- ESAD-based Fuze for Mini Depth Charge (MDC)
- Exploder Mechanism for Naval Warheads
- Prachand Munition Hardware
- Warheads for ULPgM-V2 (UAV Launched Precision Guided Missile V2)



## Conquering New Frontiers

# Strategic and calibrated expansion to serve 'Atmanirbhar Bharat'

We are pursuing a calibrated strategy, focused on selective acquisitions and strategic alliances to reinforce our market position and expand our capabilities. This approach enables us to scale rapidly, enhance technological capabilities, and deepen our relevance in the evolving defence and aerospace sectors. By expanding our manufacturing footprint and engaging in meaningful collaborations, we are better positioned to serve critical national priorities with integrated, future-ready solutions.

### Unlocking Value through Acquisition

Our acquisition of IDL Explosives Ltd. through Apollo Defence Industries Pvt. Ltd. marks a pivotal step towards vertical integration. This acquisition enhances our production footprint and strengthens our presence in the defence value chain. With underutilised infrastructure and a significant land bank, the acquired entity offers the platform to scale operations efficiently, while reducing manufacturing costs.



#### Vertical integration for cost and margin advantages

The acquisition strengthens our supply chain by internalising critical capabilities, improving cost structures and supporting margin expansion.



#### End-to-end solutions delivery

From raw materials to finished products, it allows us to offer integrated solutions across the defence manufacturing spectrum.



#### Capability to undertake capital-intensive projects

With enhanced infrastructure and scale, we are better positioned to pursue complex, high-value defence programmes.



#### Market and segment expansion

The expanded portfolio opens access to new product segments and geographies, both domestic and international.



#### Improved customer relevance and market credibility

A wide range of offerings enhances our dependability with key customers and elevates our brand positioning in the defence sector.

### Partnering for Progress

We are strengthening our ecosystem through strategic alliances with India's premier public sector defence companies. These partnerships are designed to co-develop solutions, co-create intellectual property and co-deliver high-performance systems across platforms. Through these relationships, we are aligning with national priorities and positioning ourselves as a preferred private sector partner.

#### DRDO: Technology collaboration and development

We have contributed to several of DRDO's key programmes, establishing our credibility as a trusted development partner.

#### BDL: Naval platform co-development

Joint efforts with BDL are underway for advanced naval systems, reinforcing our expertise in mission-critical subsystems.

#### BEL: Recognised R&D collaboration partner

Our approved partnership with BEL supports shared innovation in electronic warfare and defence electronics.

#### Munitions India Ltd. & TCL: Expanding the opportunity base

MoUs with these enterprises enable selective engagement in high-potential defence programmes.

#### GRSE: Joint solution development

We are collaborating on weapon systems and electronics to support maritime defence initiatives.

#### Participation in 60+ Defence Capital Procurement Programmes

As a subsystem partner, we are contributing to a wide range of projects critical to India's defence preparedness.

## Operating Environment

# Navigating an evolving landscape

Our industry is rapidly evolving, shaped by growing national security priorities, policy momentum and global shifts in defence demand. This environment offers sustained opportunities for innovation-led, integrated players like us.

### Strong Policy Tailwinds

India's defence sector continues to benefit from long-term policy direction focused on self-reliance and technological independence. Government initiatives such as Positive Indigenisation Lists and the Defence Procurement Procedure are encouraging domestic design, development and manufacturing across critical categories. These measures are systematically reducing import dependence and enabling greater participation of Indian companies in defence programmes.

### Increasing Indigenisation and Procurement Opportunities

There is now a growing preference for indigenous manufacturers in defence procurement, driven by regulatory mandates and national capability-building objectives. This trend is likely to gather further momentum. Procurement is increasingly aligned with companies that can offer end-to-end solutions within the country, especially in complex, high-precision categories. This has created a favourable landscape for home-grown players, with proven development and execution capabilities.

### Rising Global Relevance of Indian Defence Players

India's defence exports are seeing increased traction, supported

by global demand for reliable alternatives and cost-effective innovation. Public and private sector players are gaining recognition for their ability to deliver quality solutions across a range of categories. This expanding footprint offers opportunities for export-ready companies in areas such as electronics, subsystems and weapon platform components.

### Demand for Niche and High-Complexity Solutions

Evolving threat perceptions and modernisation programmes are driving demand for specialised, high-complexity solutions across defence platforms. In particular, sectors such as missile systems, naval applications, and advanced electronics are seeing growing interest from both Indian and

international stakeholders. Companies with domain depth, execution experience and R&D strength are increasingly well-placed to meet these expectations.

### Advantage for Integrated and Agile Players

The current operating environment favours players who combine innovation, manufacturing scale, and qualification expertise. High entry barriers and performance-linked contracts require deep understanding of defence standards, long-term engagements with end users, and the ability to participate in competitive tenders. Our integrated business model, niche technological spectrum and expanding Tier-1 positioning enable us to address this environment with agility and reliability.



## Why Choose Us

# Key competitive advantages

We have built a strong foundation through integrated growth, strategic diversification and technological strength. With an expanding presence in defence electronics and weapon systems, we are scaling operations, broadening our sectoral footprint, and strengthening our position as a trusted Tier-1 supplier across high-barrier, innovation-led and mission-critical domains.

### Integrated Growth Model

We have achieved backward and forward integration through greenfield and brownfield expansions, complemented by a recent strategic acquisition. This has strengthened our control over the value chain, improved efficiencies, and reduced dependency on external partners.

### Scalable Manufacturing Advantage

As we transition into large-scale production, we are unlocking economies of scale, enhancing cost efficiencies, improving turnaround times, and reinforcing our competitiveness in the defence manufacturing ecosystem.

### Strong Market Position

We hold a significant share in the development of weapon system electronics, with a strong presence in indigenous missile and naval platforms. We are one amongst the first companies offering our services for Indigenous weapon system programmes.

### Robust Order Book and High Entry Barriers

Our growing order pipeline reflects deep customer trust and our proven ability to execute complex projects. The high entry barriers in our industry further protect and reinforce our strategic positioning.

### Strategic Focus on R&D

Our approach is guided by the mantra of Research – Retention – Results. We consistently invest in research and innovation to meet evolving defence requirements and to deliver customer satisfaction at every stage.

### Growth Through Diversification

We continue to grow both organically and inorganically while diversifying across sectors, clients and geographies. This has expanded our market reach and reduced concentration risks.

### Tier Upgrade and Market Differentiation

We are advancing from a Tier 2/3 to a Tier 1 supplier, reflecting our growing

capabilities and trusted relationships. We remain the only publicly listed Tier 1 electronics designer offering a broad technological spectrum of weapon electronics for missile systems.

### Strategic Naval Domain Advantage

We hold a unique advantage in the naval defence segment, with a strong presence across all indigenously developed torpedo programmes. Our capabilities in this niche space continue to strengthen our market relevance.

### Participation in Complex Tenders

Our ability to participate in and win highly complex and competitive tenders demonstrates our technological depth, precision engineering, and strong execution capabilities.

### Credit Strength

Our long-term credit rating of ACUTE BBB/Stable reflects financial resilience and supports our reputation as a reliable and stable defence partner.

# Fortifying Our Value Delivery Model

## Inputs



### Financial Strength

We utilise a mix of internal accruals and external financial sources to fuel strategic investments. This includes funding high-priority R&D, technology upgrades, and facility expansion to support scalable operations.

- Capital allocation strategy
- R&D spending
- Operational expenditure



### People and Capabilities

We employ a multidisciplinary team of engineers, technologists, and project specialists who work collaboratively to execute complex, high-stakes programmes across sectors.

- Cross-domain talent
- Technical training
- R&D capability



### Manufacturing Excellence

Our infrastructure includes a fully integrated manufacturing facility, equipped with precision tools and in-house testing capabilities. This allows us to control quality and timelines across the product lifecycle.

- Integrated facility
- In-house testing
- Rapid prototyping



### Strategic Partnership and Ecosystem Trust

We have established enduring relationships with key stakeholders across the defence ecosystem, enabling joint innovation and faster project execution.

- Strategic partnerships
- Preferred vendor status
- Co-development models



### Innovation and Technology

We draw on decades of specialised expertise to develop proprietary designs, embedded systems, and AI-enabled technologies. These innovations help us stay ahead in a rapidly evolving defence environment.

- Proprietary designs
- Embedded tech
- Space-qualified systems



### Environmental Stewardship

We integrate environmentally responsible practices into our operations, focusing on energy efficiency, waste management, and regulatory compliance.

- Efficient energy use
- Minimal electronic waste
- Compliant processes

## Value Creation

### Requirement initiation

Starts with a formal purchase order, setting clear project objectives

### System requirement definition

Functional needs translated into clear technical specifications

### Robust system architecture

Engineering design created for performance, integration, and reliability

### Precision manufacturing

Full-scale, qualified systems manufactured in controlled environments

### Client acceptance testing

Final systems validated at client end before deployment

### Strategic resource planning

Right skills and assets allocated early to ensure seamless execution

### Collaborative design review

Preliminary concepts validated with client teams and internal experts

### Prototype development

Scalable prototype units built to test feasibility and refine outcomes

### Rigorous quality validation

All systems undergo comprehensive internal testing for compliance

## Outputs

### Financial Strength

Sustained investments and financial performance ensure long-term value creation.

- Consistent profitability
- Efficient cash flow
- Reinvestment into growth

### Manufacturing Excellence

Delivery of high-performance, mission-critical systems across platforms.

- Reduced turnaround time
- Higher system reliability
- Quality consistency

### Innovation and Technology

Solutions tailored for ground, naval, aerospace and space applications.

- IP creation
- Tech-driven growth
- Innovation advantage

### People and Capabilities

A technically proficient and agile workforce is driving mission readiness.

- Innovation culture
- Skilled execution
- Team agility

### Strategic Partnership and Ecosystem Trust

Trust-based collaborations and preferred-vendor status in key programmes.

- Enhanced trust
- Repeat contracts
- Ecosystem credibility

### Environmental Stewardship

Energy-optimised production and low-waste engineering processes.

- Reduced footprint
- Sustainability compliance
- Better resource use

## Outcomes



Robust financial resilience and investor trust.



Faster go-to-market and reduced production risks.



Accelerated innovation and technical differentiation



High employee engagement and project accountability



Stronger national partnerships and project continuity.



Responsible manufacturing aligned with compliance standards.

## Stakeholders Impacted



Employees



Investors



Customers



Suppliers & Partners



Government authorities



Community

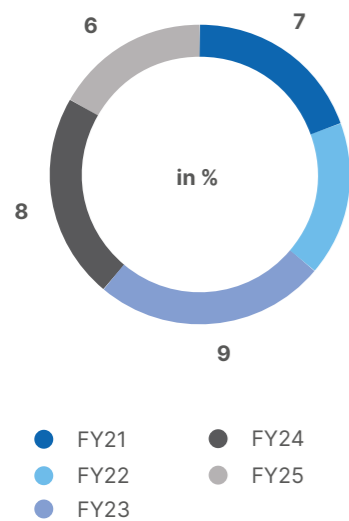
## Research and Development

# Fuelling the innovation engine to conquer new frontiers

At Apollo Micro Systems, R&D functions as a key enabler of innovation and a catalyst for sustainable business expansion. Our dedicated R&D team, consisting of highly experienced engineers, brings deep expertise in embedded hardware and software development across diverse domains, including Aerospace, Avionics, Space, Naval, On-Board Systems and Ground Support Equipment.

Our engineers are constantly pushing the boundaries of what's possible, translating complex requirements into modular, scalable solutions. We are recognised as a Collaborative R&D Partner by Bharat Electronics Limited and are actively involved in developing critical systems for Bharat Dynamics Limited (BDL), such as the AUV development platform.

### R&D as a % of Revenue



### Key R&D Outcomes

#### Indigenous Product Development

Successfully developed Aerial Bombs, Underwater Acoustic Sensors, Critical Actuation Systems, and Secured Data Links that enhance our defence electronics portfolio.

#### Collaborative Innovation

Developed missile launch controllers, payload checkout systems, and torpedo electronics in collaboration with DRDO, with intellectual property managed through clearly defined joint development agreements.

#### Modular Engineering Approach

Emphasised reusability and modular design in product development to accelerate deployment and reduce time-to-market for future applications.

#### Recognition as a Trusted R&D Partner

Our consistent delivery and high technical standards have earned us long-term strategic partnerships with DRDO labs and DPSUs.

### Governance and Management of Intellectual Property

We follow a rigorous and strategic approach to safeguarding intellectual property, both within the organisation and in collaborative engagements.

#### 01

##### IP Protection in Collaborations

In collaborative R&D projects and joint ventures, our intellectual assets are protected through legally binding non-disclosure agreements and joint development contracts. These clearly define ownership rights, licensing terms and technology boundaries, ensuring proprietary knowledge remains secure, while enabling effective technology exchange.

#### 02

##### Innovation Ownership

We have established a robust internal framework to govern employee-driven innovation. Employees are encouraged to disclose innovations through a structured mechanism that facilitates formal tracking, assessment and protection.

#### 03

##### Strategic Allocation of R&D Investments

R&D resources are allocated based on multiple factors such as strategic alignment with business goals, demand from key customers, synergy with DRDO and institutional partners, and the potential for modular reuse across platforms. This ensures that our innovation efforts generate a scalable and sustainable impact.

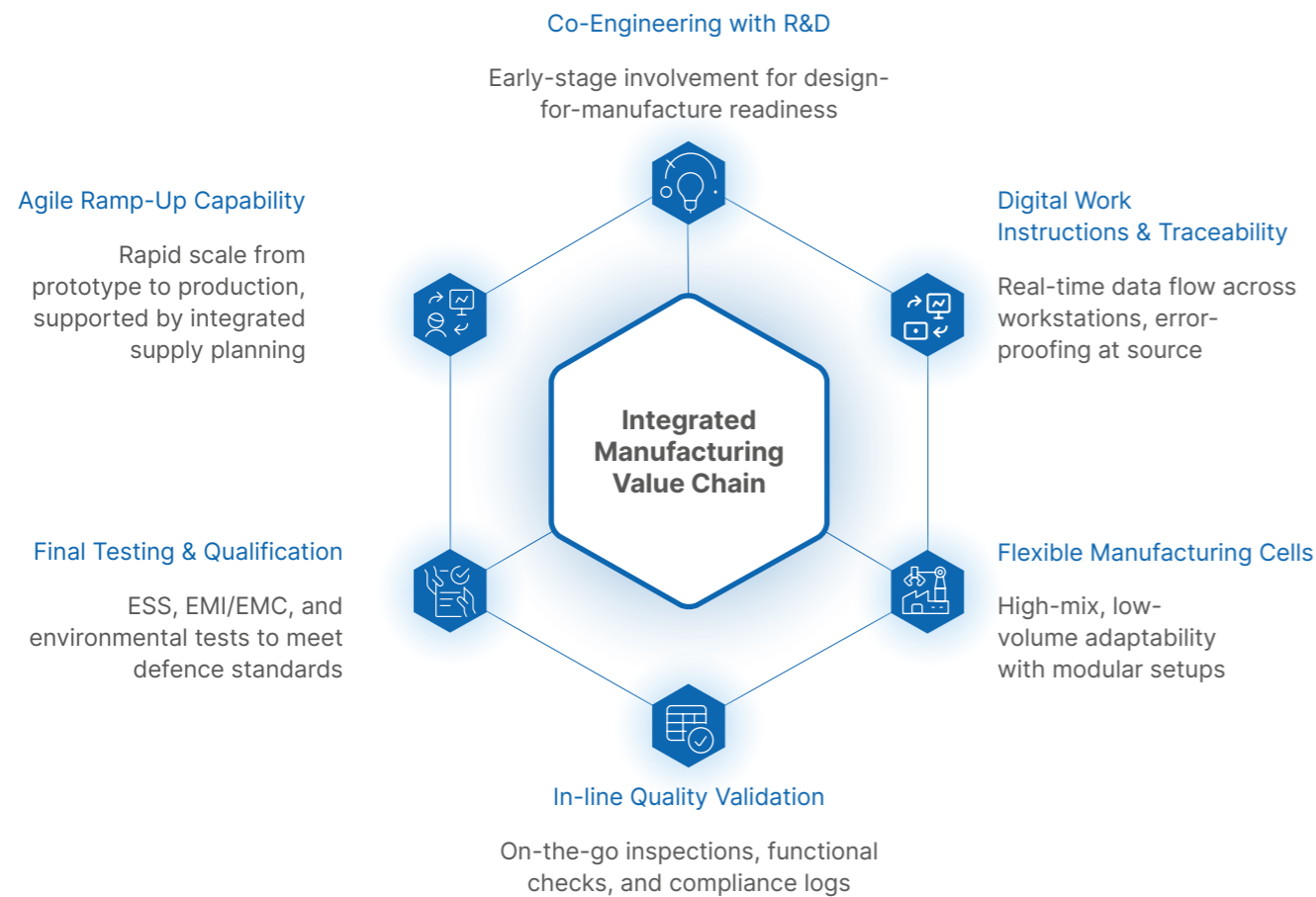


## What We Make

# Building a scalable platform for high-tech manufacturing

We are enhancing our manufacturing infrastructure to meet the growing demand and support product diversification across high-tech domains. We currently operate two facilities: a 55,000 sq. ft. plant in Mallapur and a 40,000 square feet unit in Adibatla, Hyderabad. These facilities are designed for efficiency, with streamlined connectivity to our design and test operations and easy access to engineering talent.

To build on this foundation, we are commissioning a state-of-the-art, 350,000 sq. ft. integrated facility at Hardware Park-II, Hyderabad. The facility will house cleanrooms, high-throughput assembly lines, ESS chambers, and automated testing bays. It will serve as a scalable platform for advanced manufacturing in areas such as missile electronics, avionics, and RF systems.



## Greener and Smarter Operations

Across our facilities, we have implemented targeted interventions that balance environmental responsibility with operational efficiency.

Optimised CNC machining to minimise power use and material scrap

RoHS-compliant soldering to eliminate hazardous materials

LED-based lighting to lower shopfloor energy loads

ESS chambers engineered for reduced energy consumption

Standardised waste segregation and disposal systems

## Ensuring Quality and Compliance

Our internal QA systems are fully aligned with DGQA standards and audited regularly. Compliance is upheld through:

Training programmes for shopfloor and QA personnel

Ongoing process and documentation audits

Real-time defect tracking and resolution



### Future-Ready Facility – Hardware Park-II, Hyderabad

The 350,000 square feet facility under construction at Hardware Park-II will serve as a critical enabler for our future growth. Equipped with advanced manufacturing systems, backward-integrated sourcing, and scalable testing capabilities, it will help us accelerate production, reduce dependence on external vendors, and strengthen our value proposition across aerospace and defence programmes.

## Driving Supply Chain Reliability

Our procurement strategy centres on building long-term supplier relationships, ensuring resilience, and maintaining competitiveness. All critical vendors undergo a rigorous onboarding and qualification process.

- Suppliers & Partners
- Lot-level rejection rates
- Cost efficiency
- Supply continuity

## Managing Strategic Procurement Risks

Operating in high-dependence categories such as semiconductors and specialised electronics exposes us to risks ranging from obsolescence to geopolitical trade controls. To manage this landscape, we:

- Diversify sourcing to avoid single-vendor dependencies
- Use advance procurement models for long-lead items
- Maintain close supplier collaboration for visibility on availability, lead times, and allocations



## People

# Triumph of talent and teamwork

At AMS, our strength lies in our formidable talent pool, with unrelenting focus on innovation. Our team brings together experience, technical expertise and forward-looking thinking. They deliver high-precision solutions for mission-critical applications, and their contributions underpin every milestone we achieve.

- ~400** > Total employees
- 165+** > Employees in R&D
- 0%** > Gender Diversity

## Developing Skills for Tomorrow

Our approach to workforce development is both structured and responsive. Skill gaps are addressed through internal training initiatives, lateral hiring and continuous learning platforms that support upskilling in emerging areas. We encourage knowledge sharing across teams and foster a culture where expertise is both developed and applied with impact.

Career progression frameworks have been introduced to support professional growth at every level. These are reinforced by mentoring from senior engineers, access to challenging assignments and opportunities to work across functions and technologies.



## Strengthening Retention and Engagement

To maintain a stable and motivated workforce, we have put in place clear growth pathways, performance-based recognition programmes and employee support systems. These have contributed to reducing attrition to levels that are in line with industry averages.

Engagement efforts include regular communication with teams, feedback-led interactions and platforms for idea exchange. We focus on creating a workplace where individuals are empowered to perform, collaborate and thrive.



## Recognition that Matters

We value excellence and reward it through meaningful and visible appreciation. These recognitions celebrate both performance and long-term association with the organisation.

- Best Engineer Awards for outstanding contributions in technical domains
- Cash awards and mementoes presented during employee appreciation events
- Long Service Awards to honour enduring association and impact



## Focusing on Safety and Wellbeing

Employee health and workplace safety are integrated into our day-to-day operations.

- Periodic safety drills across our facilities
- Medical check-up camps and health awareness sessions
- Educational programmes focused on occupational safety and hygiene



## Listening with Intent

We have established a formal grievance redressal mechanism that includes a dedicated committee, clear escalation channels and anonymous reporting options. This system is designed to resolve concerns promptly and transparently, while maintaining confidentiality and trust.

## Encouraging Equity and Inclusion

Our people policies are designed to offer equal opportunity across roles and functions. We encourage participation and leadership from all backgrounds, with women represented on the Board and in senior technical positions. We continue to build a work culture rooted in merit, access and respect for individual contributions.





We are driven by the highest standards of compliance and ESG and focus on sustainable practices such as addressing carbon emissions, promoting resource efficiency and lending a helping hand to the communities we work with. We believe ESG practices are a major catalyst of our value creation for all stakeholders over the short-, medium- and long-term.



# Environment

Our ESG framework emphasises the use of sustainable resources, minimising resource consumption, and reducing our carbon footprint.

AMS has adopted environment-friendly manufacturing practices, technologically advanced machinery, and a strategy for optimum resource utilisation. These measures have helped lower carbon emissions and reduce our ecological footprint.

## Key Environmental Initiatives

- Implemented efficient inventory and logistics management to reduce carbon emissions
- Promoted material reuse and recycling to reduce waste
- Implemented urban forest development and sapling plantation

## Monitoring and Risk Mitigation

Key environmental risks include hazardous waste handling and energy usage. These are monitored through internal audits and mitigated via process improvements. Energy-efficient facility upgrades have been implemented, and hazardous waste generation has been reduced.

## Compliance and Reporting

Audits are conducted to verify compliance with environmental norms and RoHS requirements. No critical audit failures were reported in FY25. Outcomes of environmental initiatives are reported to stakeholders through Board presentations.



# Social

We believe in creating long-term value not only through our business operations, but also by contributing meaningfully to the communities around us. Our corporate citizenship efforts in FY25 were centred around areas where we could create tangible value. Each initiative was designed, based on on-ground needs and executed with clearly defined goals and measurable outcomes.

## Promoting Environmental Sustainability

This initiative focused on restoring ecological balance and encouraging clean energy practices across communities in Telangana.

### Impact

**15,000+ trees**

- > planted across community areas

**3 public spaces**

- > converted into green zones

Solar-powered lighting installed in **5 villages** reducing carbon footprint



## Educating Underprivileged School Dropouts

This project addressed educational gaps for disadvantaged youth by supporting school dropouts with resources and access to learning infrastructure.

### Impact

**300+ students**

- > re-enrolled in formal education

**150 smart tablets**

- > distributed to aid digital learning

Support extended to **10 schools** with educational resources and teaching support



# Upholding a Strong Governance Culture

At Apollo Micro Systems, our governance framework promotes transparency, accountability, and ethical conduct across the organisation. Our governance structure is led by the Board of Directors and supported by various committees that ensure informed decision-making, regulatory compliance, and effective risk oversight.

## Board Committees

To strengthen governance and operational oversight, the Company has constituted the following committees

- Audit Committee
- Nomination and remuneration Committee
- Stakeholder Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Executive Committee
- Securities Allotment Committee

## Policies and Ethical Framework

Our governance practices are supported by a set of internal policies that guide ethical behaviour, regulatory adherence and risk management across the organisation. These policies are reviewed periodically and embedded into day-to-day operations to ensure consistency in conduct and decision-making. Through this framework, we aim to build long-term trust with our stakeholders, while maintaining a culture of integrity and responsibility.

## Board Composition and Independence

Our Board comprises a balanced mix of executive, non-executive, and independent directors, bringing diverse expertise and perspectives to the table. Independent directors play a vital role in safeguarding the interests of stakeholders and ensuring unbiased oversight of management. The composition of the Board is aligned with regulatory requirements and is periodically reviewed to maintain effectiveness, transparency, and accountability in governance.



## Providing strategic guidance

# Board of Directors



Raghupathy G Theegala  
**Chairman**

Mr. Raghupathy Goud Theegala holds a Bachelor's degree in Commerce from Osmania University and a Bachelor's degree in Law from Bangalore University. After practicing law for three years, he joined the A.P. Police as a Sub Inspector through the Public Service Commission. Before becoming part of our company, he served with the Andhra Pradesh Lokayukta and Upa-Lokayukta, where he gained extensive experience in addressing financial irregularities, abuse of power, and corruption. Since August 21, 2017, Mr. Theegala has contributed his expertise to our board as an Independent Director.



Chandrapati  
Venkata Siva Prasad  
**Wholetime Director (Technical)**

Mr. Venkata Siva Prasad Chandrapati serves as the Whole-Time Director (Technical) of the company, bringing over 25 years of expertise across various technologies. Holding an M. Tech degree in Digital Signal Processing, he is a highly skilled professional within the industry. His profound knowledge and exceptional managerial abilities are the driving forces behind the company's Research & Development (R&D) teams, particularly in successfully leading and executing key defence projects.

Mr. Chandrapati's journey with AMS began in 1999, following more than eight years of experience with other esteemed companies. His remarkable proficiency in design and product development has established him as a top choice in the industry. He is the visionary behind the development of sophisticated weapon system electronics, significantly contributing to the success of numerous indigenous defence programs. Furthermore, his deep understanding of Space systems has been instrumental in creating advanced Payload Checkout and Telemetry Systems for critical Space Programs.



Karunakar Reddy Baddam  
**Managing Director**

Mr. Karunakar Reddy Baddam brings over 38 years of rich business experience to the table as the Founder and Managing Director of the company. Under his visionary leadership, AMS has transformed from a design-focused firm into a comprehensive solutions provider, now excelling in delivering both subsystems and complete system solutions.

Mr. Baddam has been instrumental in pioneering innovative solutions for defence and space programs, leveraging cutting-edge ideas and miniaturization techniques. His relentless pursuit of excellence and commitment to developing import substitution strategies have been pivotal to the company's success. As the driving force behind AMS, he provides the guidance, direction, and motivation that have propelled the company to reach new heights. His journey is marked by an ambitious entrepreneurial spirit that has consistently fostered sustainable growth and led AMS to achieve significant milestones.

## Providing strategic guidance

# Board of Directors



**Krishna Sai Kumar Addepalli**  
Whole-Time Director  
(Operations)

Mr. Krishna Sai Kumar Addepalli serves as the Whole-time Director of Operations at the company. An engineering graduate specializing in Electronics and Communication, he brings over 23 years of diverse experience across marketing, finance, and operations. Since joining AMS in 2003, Mr. Addepalli has played a pivotal role in broadening the company's customer base, spearheading its expansion into new markets, and driving quality process reforms. His efforts have also strengthened the company's supply chain management. Deeply involved in business development, he is dedicated to expanding the company's presence in both defence and non-defence sectors.



**Karunasree Samudrala**  
Independent Director

Mrs. Karunasree Samudrala is a distinguished Fellow of the Institute of Chartered Accountants of India and holds a Commerce degree from Kakatiya University in Telangana. With an impressive career spanning over 22 years, she brings a wealth of expertise in accounting, auditing, and taxation. Throughout her career, she has successfully led numerous audit engagements, gaining hands-on experience with various types of audits, including statutory, internal, and tax audits. Her audit experience extends across multiple sectors such as FMCG, stock markets, and banking.

Mrs. Samudrala's professional journey has seen her closely collaborate with statutory auditors, income tax authorities, and in investor relationship management. Her qualifications are further bolstered by certifications in International Financial Reporting Standards (IFRS), Certified Internal Auditor (CIA), and Concurrent Audit of Banks from the ICAI. In May 2018, Mrs. Samudrala joined the company's Board as an Independent Director, bringing her vast knowledge and experience to the leadership team.



**Aditya Kumar Halwasiya**  
Non-Executive Director

Mr. Aditya Kumar Halwasiya is a dynamic third-generation entrepreneur and investor, carrying forward the legacy of the Pan-India Universal- Halwasiya Group, a conglomerate with an annual turnover exceeding INR 2,000 crores. He earned his Master's degree in Global Finance from Fordham University, New York, USA, and a Bachelor's degree in Commerce from St. Xavier's College, Kolkata.

As a shareholder and director at Universal Petro-Chemicals Ltd, a leading manufacturer in the automobile, industrial oils, and specialty chemicals sectors, Mr. Halwasiya has been instrumental in driving business marketing since 2019. He also plays a key advisory role at Columbia Petrochem Ltd, another family venture in the same industry. In addition to his responsibilities within the family businesses, Mr. Halwasiya actively manages and oversees a substantial portfolio of capital market investments and real estate projects across India, demonstrating his diverse expertise and commitment to the group's growth.

## Providing strategic guidance

# Board of Directors



**Kavya Gorla**  
Non-Executive Director

Ms. Kavya Gorla holds a graduate degree in Electronics and Communication Engineering, blending her technical expertise with a deep passion for aviation. Driven by her love for airplanes, she pursued flight training in Florida, USA, and has been a licensed pilot since 2007. Over the years, she has honed her skills and knowledge in key areas such as Airplane Aerodynamics, Engines, Avionics, and Radio Navigation Systems.

Ms. Gorla's career as a pilot has seen her serve with distinction in several prestigious airlines, including Air Deccan, Kingfisher Airlines, and Jet Airways. Her last flight assignment was with Jet Airways India Limited. Today, she is channeling her experience and leadership into entrepreneurial ventures, focusing on the manufacture of heavy engineering applications across sectors such as Mining, Automobile, Oil and Gas, and Electrical Infrastructure.



**Chandrashekar Matham**  
Independent Director

Dr. Chandrashekar Matham earned his Ph.D. in VLSI and Embedded Systems from SK University, Anantapur, in 2009. His academic journey began with an M.Tech. in Electronics and Instrumentation Engineering (EIE) from the prestigious Indian Institute of Science (I.I.Sc.), Bangalore, in 1994, following his M.Sc. (Tech.) in Applied Electronics, a three-year integrated program, from Osmania University in 1986.

With over two decades of experience in Defence Industrial Research and Development (R&D) and more than a decade of teaching undergraduate and postgraduate engineering students at both Central and State Universities, Dr. Matham has made substantial contributions to the field. As a Senior Manager in R&D at Bharat Dynamics, Hyderabad, under the Ministry of Defence, Government of India, he played a pivotal role in the indigenous design and development of Embedded Test Systems for missile technology. Before his tenure at Bharat Dynamics, Dr. Matham served as a Lecturer in Electronics at SSGM College of Engineering, Shengaon, from 1987 to 1993, where he dedicated seven years to nurturing the next generation of engineers. His extensive experience and significant contributions to both industry and academia have established him as a respected figure in his field.

## Translating strategy to execution

# Leadership Team



**Sudarshan Chiluveru**  
Chief Financial Officer (CFO)



**Rukhya Parveen**  
Company Secretary & Compliance  
Officer (CS & CO)



**Commodore BP Singh VSM (Retd)**  
President (Strategic Projects)



**Kc Satyanarayana**  
Head of Special Products Group



**Venkateswara Rao Aluri**  
President Marketing



**Supriya Kondap**  
Associate Vice President (Projects)

# Management Discussion and Analysis

## Economy Overview

### Global Economic Overview<sup>1</sup>

The world economy expanded by 3.3% in 2024 amidst escalating global political tensions, deceleration in China and trade policy disruptions. Economic growth in Europe was sluggish due to elevated energy prices, in the first half of the year, caused by Eastern European and Middle Eastern conflicts, together with aging populations in nations like Germany and Italy. Meanwhile, the U.S. economy grew 2.8%, thereby helping sustain the global economic production. Growing economies in Asia also helped spur world growth as a result of robust manufacturing and technological advances. Ongoing regional conflicts have resulted in several economies restructuring to reinforce their military-industrial complex. Despite sanctions, Russia's GDP growth reached 4.1% in 2024, driven by significant shift towards a wartime footing with an increased budgetary spending. Russian defence spending rose by ~ 40% in CY2024, accounting for 7% of the nation's GDP.<sup>2</sup> Similarly, Israel's military expenditure increased to reach 8.8% of its GDP, highlighting the nation's focus on enhanced national security.

Global inflation declined to 5.6% from 6.6% last year on the back of declines in advanced economies. Central banks maintained prudence in relaxing their monetary policies as some parts of the world still experienced high inflation. Developed economies' higher bond yields indicated that investors are cautious on inflation, political uncertainties and shifting monetary policies. In emerging markets electronics and digital infrastructure are becoming increasingly larger sources of growth.

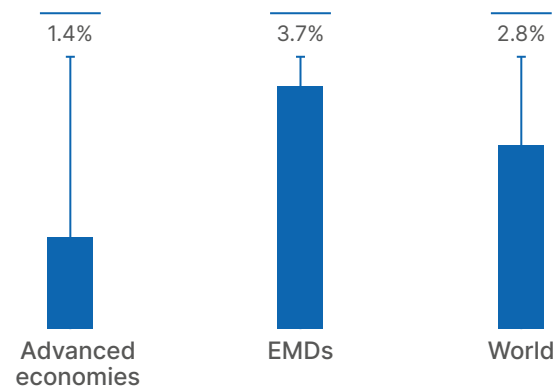
### Outlook

Global economic projections for 2025 are moderate, where 2.8% growth is expected to be stable. Prices will increase more moderately as the labour market slows down and oil prices maintain their depleted prices. This will provide room for central banks to implement policies

favourable to increased economic growth. Inflation is also forecast to decline to 4.3% by the fourth quarter of 2025, indicating a stable recovery, especially in emerging economies. Advanced economies are projected to grow by 1.4% while emerging markets and developing economies will grow by 3.7%.

Headwinds arise from the tensions in geopolitics and economic problems in nations such as China, but overall outlook remains optimistic with support from government measures and efforts to correct public finances. Tariff policies of the United States have resulted in reduced predictions for international trade, giving rise to a trend for protectionism. Europe remains vulnerable to economic stagnation, but resilience in major sectors and ongoing consumer consumption following the pandemic could help support long-term recovery. The manufacturing industry in emerging economies is set to gain from dynamics in supply chains and emerging trade agreements. In the medium term, global trade changes, strategic government expenditure and other reforms are expected to drive innovation, resulting in long-run economic growth in developing and emerging economies through enhanced productivity and robust supply chains.

### Global GDP forecast (2025)



Source: World Economic Outlook (April 2025)

<sup>1</sup>World Economic Outlook, April 2025: A Critical Juncture amid Policy Shifts

<sup>2</sup><https://www.reuters.com/world/europe/russia-hikes-national-defence-spending-by-23-2025-2024-09-30/>

### Indian Economic Overview<sup>3</sup>

During FY2024-25, India's economy remained resilient, expanding by 6.5%. As the overall manufacturing sector slowed down, exports of higher-value products such as electronics picked up, boosting India's position in international value chains. Political tensions and shipping bottlenecks, particularly in the Red Sea posed trade challenges. Despite global economic uncertainty and political tensions, the performance of India's exports remained strong.

For several months, inflation was above the Reserve Bank of India's (RBI) 4-6% target, but the government's controlled spending led to the fiscal deficit being maintained at a level of 4.4% to 4.5% of GDP. This created room for increased government expenditure. The RBI's policy measures, including pumping ₹1.5 trillion into the system and lowering interest rates, is expected to ease liquidity, stimulate private investment and encourage consumer spending. Foreign direct investment (FDI) inflows during the first half of the 2024-25 fiscal year also increased by 26% on a year-on-year basis, reflecting higher investor confidence. India's position as the world's third-largest recipient of new foreign investments underscores its appeal as a hub for technology and manufacturing.

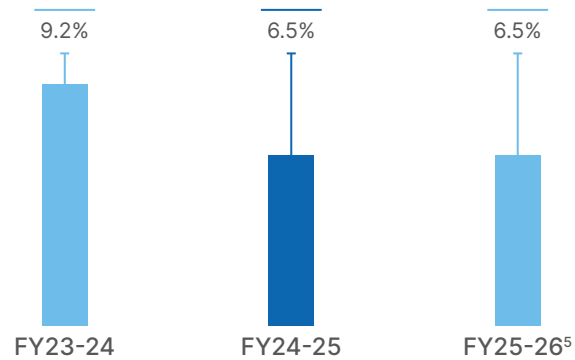
### Outlook

India's economic future appears optimistic on the back of robust domestic fundamentals and a sound growth trajectory. The nation is likely to be among the world's fastest-growing economies, with real GDP expected to grow at 6.5% in the 2025-26 fiscal year. This expansion is expected to be supported by lower inflation and higher private investment. Expenditure on infrastructure increased 38.8% during FY20 to FY25, with further government investment in the latter half of 2024-25, which should boost demand and draw private financing.<sup>4</sup> India will also receive enhanced FDI as multinationals seek low-cost means of expansion.

Government initiatives such as the Production-Linked Incentive (PLI) scheme will be instrumental in strengthening India's position in world's technological manufacturing and exports. The strategic benefits of the country, such as a weakened currency that makes its exports more affordable

and its emergence as a competitive manufacturing hub, will also drive the growth of the sector. Despite headwinds including political unrest and volatile crude oil prices, India's economic resilience fuelled by strong public and private investment, positions it favourably for sustained economic growth.

### India's real GDP growth



Source: RBI Bulletin April 2025

### Industry Overview

#### Global Defence Sector<sup>6</sup>

The global defence industry is experiencing a transformation driven by escalating geopolitical turbulence and heightened military spending by nations worldwide. This shift is shaping a new era of advanced warfare that includes AI-powered planning, autonomous drones and cyber warfare, with emerging players playing an increasingly important role.



**Global military expenditure reached an unprecedented high of \$2,718 billion in 2024. This significant spending represented 2.5% of the global GDP in 2024, reflecting the priority nations are placing on military capabilities.**



<sup>3</sup><https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/0BULL22042025F03F83AE118C4B3B84E662D980C8DE33.PDF>

<sup>4</sup><https://www.pib.gov.in/PressReleaseDetailm.aspx?PRID=2097902>

<sup>5</sup>Projected

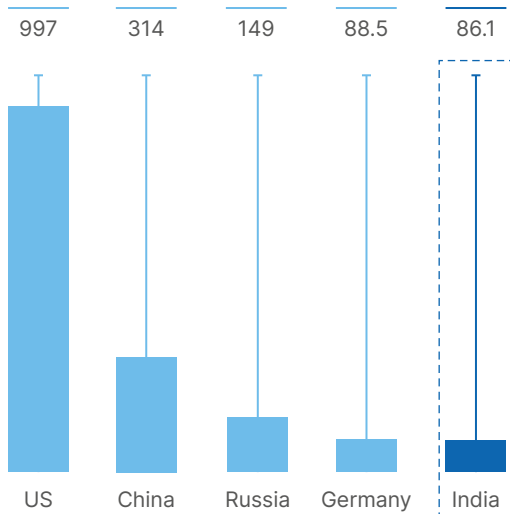
<sup>6</sup><https://www.sipri.org/media/press-release/2025/unprecedented-rise-global-military-expenditure-european-and-middle-east-spending-surges>

The concentration of military spending remains significant among major powers. The top five military spenders included the US, China, Russia, Germany and India, which together accounted for 60% of the global total with a combined spending of \$1,635 billion. The United States maintained its position as the leading spender, with military spending witnessing a surge of 5.7% and reaching \$997 billion, representing 66% of the total NATO spending and 37% of the global military spending in 2024.

All NATO members heightened their military expenditure in 2024, demonstrating a coordinated response to current security challenges. Among individual countries, Israel's military expenditure surged by 65% to \$46.5 billion in 2024, making it one of the most dramatic increases globally. This surge was primarily driven by the prolonged conflict in the Middle-East, highlighting how regional conflicts significantly impact defence spending patterns.

The industry's evolution reflects not only increased financial investment but also a fundamental shift in how modern warfare is conceived and conducted, with technology playing an increasingly central role in military strategy and operations.

### Global Military Expenditure (\$ in billions)



Source: Stockholm International Peace Research Institute


### Growth Drivers

#### Heightened Security Needs<sup>7</sup>

The ongoing Russia-Ukraine and Middle Eastern conflict has pushed global economies to expand their military

spending, to weather escalated geopolitical tensions. Global military expenditure witnessed an increase of 9.4% in real terms over 2023, marking the steepest year-on-year increase since the end of the cold war. With the Russia-Ukraine conflict in its third year, Russia's military expenditure increased by 38.8% from 2023, reaching \$149 billion in 2024. While Ukraine's military expenditure increased by 2.9% to reach \$64.7 billion.



All European countries except Malta increased their military spending in 2024, registering the highest level of spending since the end of the cold war. 

As the Middle-Eastern conflict escalated, Israel's military expenditure saw the steepest annual increase since the Six-Day War in 1967, surging by 65% over 2023 to reach \$46.5 billion in 2024. The country further entered into escalated conflicts with the nations of Iran and Syria during the course of the year. These conflicts showcased the increasing modern preference for a robust arsenal of cutting-edge missile systems over troop mobilisation in international conflicts.

With increased pressure from the US, NATO countries are set to commit to an enhanced military budget moving forward. As Europe prepares for reduced American military involvement in the continent, the ReArm Europe plan, presented in March 2025, proposes to leverage €800 billion through national fiscal flexibility. European Investment Bank will further support defence spending and a new €150 billion loan fund called SAFE will be set up to help countries purchase military equipment.<sup>8</sup>

#### Technological Innovation

Global defence investment is increasingly driven towards autonomous and AI integrated weapon technologies. The demand for advanced long-range explosives has escalated in ongoing regional conflicts amidst reduced manpower deployment. Integrated Air and Missile Defence (IAMD) is expected to play a key role in safeguarding Europe's critical infrastructure, urban areas and military installations from an increasingly challenging array of airborne threats, including ballistic missiles, cruise missiles and unmanned aerial systems.

<sup>7</sup><https://www.sipri.org/media/press-release/2025/unprecedented-rise-global-military-expenditure-european-and-middle-east-spending-surges>

<sup>8</sup>[https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/769566/EPRS\\_BRI\(2025\)769566\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/769566/EPRS_BRI(2025)769566_EN.pdf)

### International Collaboration

The Partnership for Indo-Pacific Industrial Resilience (PIPIR) was established to enhance defence industrial cooperation and address production bottlenecks. Companies are implementing supply chain diversification strategies to reduce vulnerabilities exposed during recent conflicts. Australia, the United Kingdom and the United States formed the AUKUS pact focusing on technology sharing in the Indo-Pacific region. The EU signed a landmark deal with Canada to strengthen cooperation in defence and security, allowing the latter to access SAFE, the EU's joint arms procurement initiative.

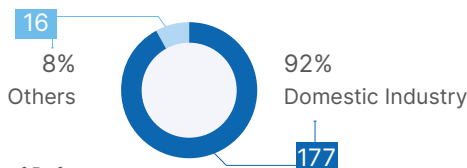
### Indian Defence Sector

India is the fourth-largest spender of military resources in the world and possesses the second-largest active military force in the world. The nation has made a significant achievement in recent years in curbing its dependence on foreign suppliers from 65%-70% to reaching 65% indigenous manufacturing capacity.<sup>9</sup>

India's defence sector was allocated a notable ₹6.22 lakh crore budget in FY 2024-25, demonstrating the country's persistent policy of expending around 2% of its GDP on defence spending.<sup>10</sup>

A record-breaking feat was achieved with the Ministry of Defence entering 193 contracts worth more than ₹2,09,050 crore in the FY 2024-25, which is almost double the earlier highest value of contracts. The emphasis on domestic capabilities can be seen as 177 of the contracts worth ₹1,68,922 crore, accounting for 81% of the total value were given to indigenous firms.<sup>11</sup> Private defence production accounted for 21% of the overall production, indicating a significant change in the sector's dynamics.<sup>12</sup> This strategy aligns with the nation's objective of becoming self-reliant and generating job opportunities in the defence manufacturing sector.

### Share of Domestic Defence Contracts in FY 2024-25



Source: Ministry of Defence

Defence exports grew to a record ₹23,622 crore in FY 2024-25, an increase of 12.04% and ₹2,539 crore more than the last year. The performance was strengthened by private sector companies contributing ₹15,233 crore and Defence Public Sector Undertakings (DPSUs) contributing ₹8,389 crore as against ₹15,209 crore and ₹5,874 crore respectively in FY 2023-24.

» **₹ 1.46 lakh crore**  
DEFENCE PRODUCTION (24-25)

» **₹23,622 crore**  
DEFENCE EXPORTS (25-26)

» **100+**  
COUNTRIES EXPORTED TO

Source: <https://www.pib.gov.in/PressReleaseFramePage.aspx?PRID=2132239>

The calibrated military response in **Operation Sindoor** demonstrated the DRDO's technological capabilities to undertake tactical offence with high precision without crossing international boundaries.

- During the mission, the nation's Air Defence systems detected, tracked and neutralised threats deploying an array of tools including radars, control centres, artillery, drones and air and ground-based missiles.
- ISRO's contribution to the mission was highlighted through its network of at least 10 satellites, covering the nation's extensive topography and working round-the-clock to secure crucial intel.

<sup>9</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

<sup>10</sup>[https://www.careratings.com/uploads/newsfiles/1735540355\\_India%20defence%20industry%20-%20CareEdge%20Report.pdf](https://www.careratings.com/uploads/newsfiles/1735540355_India%20defence%20industry%20-%20CareEdge%20Report.pdf)

<sup>11</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

<sup>12</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

<sup>13</sup><https://pib.gov.in/PressReleasePage.aspx?PRID=2117348>

<sup>14</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612>

**Government Initiatives**<sup>15 16</sup>

- **Positive Indigenisation Lists:** The government has implemented five Positive Indigenisation Lists covering over 500 items to be procured exclusively from Indian sources, with DPSUs publishing similar lists covering over 5,000 items.
- **Defence Acquisition Procedure (DAP):** The Defence Acquisition Procedure (DAP) 2020 prioritises domestic procurement, with 75% of capital procurement earmarked for domestic sources and increased minimum Indigenous Content (IC) requirements.
- **Make in India:** The 'Make in India' initiative and policy reforms have actively encouraged indigenous production by curbing foreign dependency through procurement. This policy change is a significant step towards India's larger vision of becoming Atmanirbharta (self-reliant) in defence, emerging as a hub for manufacturing advanced military technologies and equipment.
- **Innovations for Defence Excellence (iDEX):** The initiative has attracted MSMEs, startups, individual innovators, R&D institutions and academia through grants of up to ₹1.5 crore to develop innovative technologies. The scheme has been augmented with ₹449.62 crore for iDEX for 2025-26, including its sub-scheme Acing Development of Innovative Technologies with iDEX (ADITI). This success was taken forward with introduction of iDEX Prime that strengthened support to ₹10 crore.<sup>17</sup>
- **Acing Development of Innovative Technologies with iDEX (ADITI):** The recently introduced ADITI scheme offers support up to ₹25 crore to scale break-through innovations. With the overall objective of empowering start-ups and MSMEs, the Ministry of Defence has cleared purchases over ₹2,400 crore from start-ups/MSMEs and approved proposals over ₹1,500 crore for developing new technologies.<sup>18</sup>
- **Foreign Direct Investment (FDI):** The Foreign Direct Investment (FDI) in the defence industry was liberalised in September 2020 permitting up to 74% FDI under the automatic route and up to 100% with government approval. Total FDI in defence industries since April 2000 has reached ₹5,516.16 crore.
- **Defence Industrial Corridors (DICs):** Two Defence Industrial Corridors (DICs) have been set up in Uttar Pradesh and Tamil Nadu to promote defence production. Such corridors give incentives to industry investors in this field and are of significant importance for the sector. Investments amounting to over ₹8,658 crore have already been invested in the six nodes of UP such as Agra, Aligarh, Chitrakoot, Jhansi, Kanpur and Lucknow and five nodes of Tamil Nadu such as Chennai, Coimbatore, Hosur, Salem and Tiruchirappalli. 253 MoUs have been inked so far with a potential investment of ₹53,439 crore as of February 2025.
- **MAKE initiative:** As of March 24, 2025, a total of 145 projects have been undertaken under the MAKE initiative with participation of 171 industries, notably driving indigenous defence production. The initiative includes 40 MAKE-I projects (Government Funded), 101 MAKE-II projects (Industry Funded) and 4 MAKE-III projects (Manufacturing through ToT). These projects play a vital role in strengthening self-reliance in defence manufacturing.
- **Ease of Doing Business (EoDB):** The government has taken a number of steps to increase ease of doing business in defence production. Validity of export authorisation for components and pieces has been increased from two years to end of order or component, whichever is earlier. Defence items' components and pieces were de-licensed in September 2019 to promote investment. The Defence Product List was rationalised in 2019 to lower products requiring manufacturing licence.
- **Regulatory boost:** Validity of defence licences issued under the Industries (Development and Regulation) Act, 1951, has been increased from 3 years to 15 years, with option of further extension up to 18 years. Implementation of end-to-end digital export authorisation system has enhanced efficiency, with over 1,500 authorisations granted in the previous financial year.
- **Modernisation:** 75% of modernisation budget, amounting to ₹ 1,11,544.83 crore, has been set aside by MoD for procurement through indigenous industries in the current financial year, showing great seriousness towards indigenisation.

<sup>15</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2116612><sup>16</sup><https://assets.kpmg.com/content/dam/kpmgsites/in/pdf/2025/05/indias-defence-industrial-sector-vision-2047.pdf><sup>17 18</sup> <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2122381>

## Growth Drivers

### Self-reliance

The Atmanirbhar Bharat initiative was designed to support local industries and reduce dependence on other countries, especially for defence. Under this policy, the government has taken several steps to promote self-reliance in defence, announcing 2025 as the year of reforms.

### Export Demand

India offers a diverse range of military products to other countries, including aircraft, systems for navy ships and missile technology and equipment. Despite regulatory challenges and international competition, India has a big opportunity to sell to new and emerging markets. Over the six years ending FY24, India's defence exports have grown strongly with a CAGR of ~28% on the back of its advanced technological, affordable costs and skilled workforce.<sup>19</sup> India exports defence equipment to over 100 countries, with the USA, France and Armenia emerging as the top buyers in 2023-24.

### Modernisation

Recent conflicts have highlighted the need for fleet modernisation in defence. Consequently, the Ministry of Defence has allocated a budget of ₹ 1,48,722.80 crore for the modernisation of fleet.<sup>20</sup> Moving forward, the country intends to invest ₹11 lakh crore

in fleet modernisation within the next 5-7 years, enhancing the sector's transformation and international competitiveness further.<sup>21</sup>

### Maritime Reinforcement

In FY 2024-25, DRDO & Indian Navy conducted combat firing of indigenous Multi-Influence Ground Mine. India has now joined the league of technologically advanced nations including the US, Russia, China and Italy in undersea warfare capabilities.<sup>22</sup>

### Strategic Partnerships and Collaborations

India's growing list of strategic partnerships and collaborations in defence reflects the nation's position as a key player in the global geopolitics. The launch of the US-India Transforming the Relationship Utilizing Strategic Technology (TRUST) initiative is expected to boost cooperation in defence, AI, semiconductors, quantum computing, biotechnology, energy and space. Ongoing discussions are underway for a long-term defence framework aimed at strengthening ties and streamlining defence procurement between the two nations. India also signed a defence partnership with the UK with focus on next-generation military hardware and enhanced bilateral defence collaboration. Meanwhile, the nation also explored partnerships with Brazil and the UAE while strengthening ties with France, Armenia and Russia.

## Outlook <sup>23 24</sup>

Moving forward, the defence budget has been targeted by the government at ₹6.81 lakh crore for FY 2025-26 with a view to further strengthening the country's military strength. Of this, 27% is targeted for capital expenditure. Defence production is likely to increase from ₹1.46 lakh crore in FY 2024-25 to ₹3 lakh crore by 2029, reflecting an estimated compound annual growth rate of 20% and firmly establishing India as a global leader in defence manufacturing.<sup>25</sup>

The government aims to increase defence R&D investment to 6% by 2032. The National Defence Technology and Innovation Framework (NDTIF) is operationalised to

coordinate R&D, innovation and skill development. Private sector participation and MSME/start-up involvement will be supported by financial incentives and tax breaks. Additionally, regulatory and procurement processes are expected to be streamlined with a single-window clearance system and shift from lowest bidder (L1) to Quality-cum-Cost Based Selection (QCBS). In the longer term, defence production of ₹8.8 lakh crore and exports of ₹2.8 lakh crore are targeted by 2047. The defence budget is expected to rise to ₹31.7 lakh crore with capital expenditure rising to 40% and R&D spend to 8-10% of the budget in 2047. The nation aims to attain global leadership in emerging technologies such as AI, quantum computing, hypersonics, cyber defence and autonomous systems.

<sup>19</sup>[https://www.careratings.com/uploads/newsfiles/1735540355\\_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf](https://www.careratings.com/uploads/newsfiles/1735540355_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf)

<sup>20</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2098485>

<sup>21</sup><https://www.investindia.gov.in/sector/defence-manufacturing>

<sup>22</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2127155>

<sup>23</sup><https://assets.kpmg.com/content/dam/kpmgsites/in/pdf/2025/05/indias-defence-industrial-sector-vision-2047.pdf>

<sup>24</sup>[https://www.careratings.com/uploads/newsfiles/1735540355\\_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf](https://www.careratings.com/uploads/newsfiles/1735540355_Indian%20defence%20industry%20-%20CareEdge%20Report.pdf)

<sup>25</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2132239>

The export industry holds good potential with policy measures likely to push the growth rate at around 19% between FY24 to FY29). The goal of attaining ₹50,000 crore worth of defence exports by FY 2029 reflects India's growing place in the global defence supply chain.<sup>26</sup>

## Global Space Sector<sup>27</sup>

As the world moves to a space-based economy, the number of launches has increased notably from a handful

a decade ago to a few every week. Emerging economies are increasingly gaining prominence along with the rise of small satellite networks. In 2024, global government space investments reached approximately \$135 billion, marking a 10% increase compared to 2023. The U.S. leads global government spending, although its share has declined from over 75% in 2000 to 59% in 2024, highlighting the growing contribution from India, China and other emerging nations. The global space economy is projected to maintain growth momentum, reaching a valuation of \$1.8 trillion by 2035.<sup>28</sup>

### Growth Drivers

#### Commercial Innovation

The reducing size of satellites, combined with increasing commercial innovation is fuelling a proliferation of new applications of space. New technology today makes it possible to identify objects at 15 centimetre resolution from space-based earth observation. The number of satellites launched per year has also grown at a rate of 50% over the last two decades.<sup>29</sup>

#### Growing Interest

Interest and enthusiasm about recent space advancements can be seen globally. Governments and business executives are increasingly recognising the potential of space-related technology, creating a competitive climate promoting investment and innovation throughout the industry.

#### Space Defence Programmes

Assets in space are witnessing increasing demand with countries creating dedicated military forces for

space. Defence spending now makes up the largest part of the global space budget, at \$73 billion or 54% of the total budget.<sup>30</sup>

#### Reducing Launch Costs

Over the last two decades, costs of space launch worldwide have decreased ten times.<sup>31</sup> This steep reduction in costs is enabling more launches to take place and increasing the accessibility of space to existing players as well as new entrants in the market.

#### Growing Space Applications and Investment

A rise in space activities such as space tourism has spurred increasing investments from the private sector. The broadening of space applications into non-traditional ones is drawing large capital and opening up new business opportunities in various industries.

## Indian Space Sector<sup>32</sup>

India's space sector has demonstrated notable technological accomplishments over the years. The cost-effectiveness, reliability and efficiency of the Indian Space Agency, Indian Space Research Organisation (ISRO) has come to the fore in numerous recent missions. The organisation has successfully launched satellites for communication, navigation and earth observation

and was the first in Asia and fourth in the world to have successfully accomplished an interplanetary Mars Orbiter Mission (Mangalyaan).

In FY 2024-25, India maintained high reliability in satellite applications, advanced its launch vehicle and propulsion technologies, achieved major science milestones and expanded the private space ecosystem.

<sup>26</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2117348>

<sup>27</sup><https://nova.space/hub/product/government-space-programs/>

<sup>28</sup><https://www.mckinsey.com/industries/aerospace-and-defence/our-insights/space-the-1-point-8-trillion-dollar-opportunity-for-global-economic-growth>

<sup>29</sup><https://www.weforum.org/stories/2024/04/space-economy-technology-invest-rocket-opportunity/>

<sup>30</sup><https://nova.space/press-release/defense-spending-drives-government-space-budgets-to-historic-high/>

<sup>31</sup><https://www.weforum.org/stories/2024/04/space-economy-technology-invest-rocket-opportunity>

<sup>32</sup>[https://www.isro.gov.in/media\\_isro/pdf/AnnualReport/Annual\\_Report\\_2024\\_25\\_Eng.](https://www.isro.gov.in/media_isro/pdf/AnnualReport/Annual_Report_2024_25_Eng.)

India's space programme facilitates growing capability for data collection and processing. Bhuvan NextGen, Bhoonidhi, MOSDAC and VEDAS provided extensive data access and analytics. In agriculture, near-real-time crop monitoring using EOS-06 data and Gram Panchayat-level crop yield estimation under YES-TECH continue to benefit thousands of farmers. Near-real-time flood monitoring in 16 states, with dissemination of 300 flood maps along with Flood Early Warning Systems (FLEWS), which achieved 80-85% alert success in Assam, reinforce the nation's disaster management abilities.

India has developed a fleet of 19 operational communication satellites, providing 317 bent-pipe transponders and 73 Gbps high-throughput satellite (HTS) capacity. These satellites support TV, DTH, telecommunications, VSAT, radio networking and strategic communications. The Real-time Train Information System (RTIS) with the capability to track the position of 8000 trains in real-time.

Indian National Space Promotion and Authorisation Centre (IN-SPACe) continues to facilitate private sector and start-up access to ISRO infrastructure and authorisations for independent space activities. NSIL is responsible for commercial data dissemination and technology transfer to Indian industry.

India's space programmes have nurtured several active collaborations with international agencies including NASA, ESA, JAXA, CNES, ASI and others on science missions and technology development.

The year 2024 has been a significant one for Indian space exploration. The XPoSat mission was launched on January 1, 2024 and the Aditya-L1 spacecraft was successfully inserted into a halo orbit around the first Sun-Earth Lagrange point on January 6, 2024. Additionally, August 23, 2024, marked the first National Space Day, commemorating the historic soft landing of the Chandrayaan-3 lander in the Moon's South Polar Region.

## Growth Drivers

### Startup Ecosystem

Space StartUps in India have witnessed an unprecedented rise, growing from only 1 in 2022 to nearly 200 in 2024.<sup>33</sup> The government's decision to open up the space sector to private investment and allow public-private participation has fuelled the rapid development of the startup ecosystem in the nation, driving remarkable growth in the sector. India is already the 5th largest global ecosystem in private space-tech investments.<sup>34</sup>

### Commercial Satellite Market Expansion

The commercialisation of space is supported by the emergence of technological tailwinds including small satellite constellations, reusable launch vehicles, 3D-printed satellite components and software-defined payloads. These are helping drive cost efficiencies and are accelerating operational timelines. India's current operational fleet of 19 communication satellites are

supporting telecommunications, broadband and broadcasting services as well as societal and strategic communications.<sup>35</sup>

### Cost Efficiency

India's space programmes have demonstrated tremendous potential for cost competitiveness among global players with the launch of Chandrayaan and Mangalyaan programmes. The country has already launched 429 foreign satellites, earning revenue of \$174 million, garnering growing international demand.<sup>36</sup>

### Cross-sector Integration

Space technologies are becoming an integral part of agriculture, healthcare, disaster management and rural development. Industries such as media and entertainment, aviation and maritime are increasingly relying on satellite communication services. The proliferation of 5G networks and IoT applications has increased dependence on satellite communication for real-time data transmission.

<sup>33</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2027137>

<sup>34</sup><https://kpmg.com/in/en/blogs/2025/05/from-sky-to-screen-satellite-communications-indias-next-digital-leap.html>

<sup>35</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2118299>

<sup>36</sup><https://www.investindia.gov.in/sector/space>

## Government Initiatives

### Increased Budget Outlay

India's space budget has seen tremendous growth, increasing threefold from ₹5,615 crores in 2013-14 to ₹13,416 crores in the latest budget, a whopping 138.93% hike.<sup>37</sup> This huge investment is a testament to the country's seriousness about becoming a world leader in space technology.

### India Space Policy 2023

To facilitate this growth path, the Indian Government has initiated a number of initiatives and policy schemes like Indian Space Policy 2023 that are aimed at enhancing capabilities in technology development. India's research and development in AI, quantum technology and bioengineering is further strengthening the country's position as a space and other emerging technology champion.

### IN-SPACe

To enable private sector participation, the Department of Space (DoS) created the National Space Innovation and Applications (NSIL) and Indian National Space Promotion and Authorisation Centre (IN-SPACe). They are important facilitators for private sector involvement in space activities. The Indian government is also extending unstinted encouragement and support through initiatives like the recently cleared \$120 million venture capital fund specific to the space industry.<sup>38</sup>

### Seed Funding Scheme

The Seed Funding Scheme is intended to enhance the involvement of private businesses, start-ups and industrial corporations to fuel and support the growing infrastructure in the space industry. India's space industry is poised to provide a profusion of opportunities as part of the race to become a world leader.

### FDI

The nation now permits 100% FDI in the space industry, thus opening up new possibilities of growth and innovation.<sup>39</sup> The open policy environment makes extensive opportunities available for international investment and cooperation in India's burgeoning space infrastructure.

### Upcoming Projects

India's ambitious future is evident in its upcoming missions like Aditya L-1, India's maiden space mission to research the sun, which represents the country's push toward

space exploration. The mission has already registered major milestones and shows India's increasing ability in deep space exploration.

Upcoming Missions also include the Venus Orbiter Mission (VOM) to study different aspects of Venus and Chandrayaan-4 aimed at collection of lunar samples. Chandrayaan-5/LuPEX mission in collaboration with the Japanese Space Agency, the Mars Lander Mission and ExoWorlds mission are in advanced study phases.

India's third and final autonomous runway landing experiment, the RLV LEX-03, succeeded in June 2024, validating autonomous navigation and control. Design and subsystem development is underway for three-stage, partially reusable, human-rated vehicle with 30 tonne LEO capacity.

Vehicle integration for Gaganyaan-G1, India's human spaceflight mission, commenced on December 2024, with uncrewed test flights scheduled before first crewed mission. The test flights of the Gaganyaan Mission will be initiated along with the ROBO Mission towards the end of 2025. Four crew members have been shortlisted for the mission, one of whom has been invited by the US to the International Space Station. This is a significant milestone in India's human spaceflight technology.

### Bharat Antariksh Station

Looking still further ahead, India plans to build the Bharat Antariksh Station by 2035, strengthening the country's path toward its objective of launching its first Moon-bound astronaut by 2040. These lofty goals reflect India's sustained vision for space exploration and its aim to become part of the select group of spacefaring countries with sophisticated human spaceflight capabilities.

### Outlook

India's contribution to the global space share is expected to rise to 8% by 2030 and further to 15% by the year 2047.<sup>40</sup> India's space industry is projected grow to \$44 billion by 2033.<sup>41</sup> The sector demonstrates continued focus on self-reliance, advanced propulsion, reusable systems and increased private sector participation. The expansion of commercial launch services and satellite applications, will enhance the global competitiveness of the industry. The sector's outlook is ambitious, targeting human spaceflight, deep space exploration and a leadership role in the global space economy.

<sup>37</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2109465>

<sup>38</sup><https://www.weforum.org/stories/2025/01/strategic-vision-innovation-boosting-india-space-economy/>

<sup>39</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2027137>

<sup>40</sup><https://www.pib.gov.in/PressReleasePage.aspx?PRID=2027137>

<sup>41</sup><https://www.investindia.gov.in/sector/space>

## Company Overview

### Background

Apollo Micro Systems Limited (AMS) is a defence technology company that started in 1985 in Hyderabad. The company creates high-quality, critical solutions for defence needs. AMS specialises in electronic and mechanical systems. The company focuses on weapon electronic systems for three main defence areas:

- Ground defence
- Missile defence
- Naval defence

AMS has developed over 700 different technologies with more than 40 years of experience in aerospace and defence work. It designs, builds and supplies advanced technology systems for defence use. The Company's offerings include:

- Missile systems
- Satellite and space technology
- Naval systems
- Aircraft electronics
- Homeland security

Defence and space work requires systems that can work in tough conditions. AMS builds their products using advanced technology and careful engineering to prevent failures during important defence operations. Beyond basic hardware, AMS creates integrated technology solutions for secure communications, underwater electronic warfare and air defence systems. These systems give defence clients reliable, ready-to-use capabilities designed for their specific operational needs. AMS also makes Commercial Off-the-Shelf (COTS) solutions that are specially designed and configured to meet the unique requirements of both defence and space industries. The Company is participating in over 150 Indigenous Defence Programmes. These solutions are qualified to be a part of supply chain in production phase under Development cum Production Partner (DcPP).

### Manufacturing Capabilities

The Company's manufacturing units are located in Hyderabad. It maintains an ESS testing facility with regular inspections in line with DGQA standards. The Company's lab area complies with electrostatic discharge requirements, along with ESD-safe furniture and a controlled environment.

The Company is driving backward integration focus by strengthening its in-house capabilities. Its Integrated Plant for Ingenious Defence Systems (IPiDS) facility will significantly boost the production capacity making it a leading Tier- I OEM manufacturer.

The Company's Unit I will be dedicated to R&D activities, with production operations taking place in Unit II and Unit III. The Company has also invested in a new weapon integration facility at Unit- III, which will serve as the consolidated manufacturing hub, streamlining and integrating operations.

### Mergers and Acquisitions

Apollo Defence Industries Pvt Ltd (ADIPL), a group company of Apollo Micro Systems Ltd, has acquired IDL Explosives Ltd from GOCL Corporation Limited. The deal is for 100% acquisition, for which Apollo paid ₹ 107 crore in full cash. The target company, IDL Explosives is the first Indian owned explosive company producing a full range of explosives used in mining and infrastructure activities and exporting it to more than 20 countries.

This acquisition is a strategic initiative of utmost importance for Apollo. IDL Explosives has a tremendous land holding of which only 40% is utilised. This gives Apollo a huge chance to enhance its own defence production facilities at a minimal additional cost. By having IDL's expertise in-house, Apollo hopes to unlock cost efficiencies, become a full-fledged one-stop solution for its clients and be set up to bid on bigger and more lucrative projects, all while expanding its brand into new areas.

Further, the Company has entered a joint development MOU with Garden Research Shipbuilders & Engineers for developing underwater weapons and vehicles, air defence systems and advanced electronic systems. It has entered into a consortium agreement with Redon Systems Pvt Ltd to jointly manufacture systems for loitering munition and allied systems. The Company also entered into a strategic business partnership with Troop Comforts Ltd to reinforce joint manufacturing, marketing and development of advanced air-defence systems.

### Financial Performance

Revenue from operation achieved during FY2025 was ₹56,206.92 lakhs, as against ₹37,163.42 lakhs in the previous year, registering 51.24% year-on-year growth.

Profit before tax (PBT) was recorded at ₹8,380.43 lakhs against ₹4,489.91 lakhs during the previous year.

Profit after tax (PAT) for the year stood at ₹5,724.16 lakhs against ₹3,166.90 lakhs in the previous year.

For FY25, EBITDA grew by 54% YoY to ₹12,921 lakhs in FY2025, compared to ₹8387 lakhs in FY24.

EBITDA margin for FY25 stood at 23.27%, improved by 1.87% bps on a YoY basis.

Total borrowings of AMS as of March 31, 2025 stood at ₹33,535 as compared to ₹20,604 lakhs as on March 31, 2024.

AMS's interest cost in FY24 increased by 12.68% from ₹2,236.85 lakhs in FY23 to ₹3,030.15 lakhs.

As on March 31st March, 2025, the Company's Equity Capital stood at ₹3,064.90 lakhs compared to ₹2,823.59 lakhs as of 31st March, 2024.

The Company's tangible asset as of 31st March, 2025, stood at ₹17,584 lakhs vis-à-vis ₹14,181 lakhs as on 31st March, 2024, an increase of 23.99%.

Cash and cash equivalents as of 31st March, 2025 stood at ₹21.58 lakhs as compared to ₹18.65 lakhs as on 31st March, 2024, an increase of 15.70%.

#### Summary (₹ in lakhs)

Metric	FY25	FY24	% Change
Revenue	56,206.92	37,163.42	51.24
<b>Gross profit</b>	<b>16,510.31</b>	<b>11,318.83</b>	<b>45.87</b>
Total opex	8,534.71	7,092.29	20.34
<b>EBIDTA</b>	<b>13,326.72</b>	<b>8,649.62</b>	<b>54.07</b>
Depreciation	1,531.94	1,129.56	35.62
EBIT	11,794.78	7,520.06	56.84
Finance cost	3,414.35	3,030.15	12.68
<b>Profit before Tax (PBT)</b>	<b>8,380.43</b>	<b>4,489.91</b>	<b>86.65</b>
<b>Profit after Tax (PAT)</b>	<b>5,724.16</b>	<b>3,166.90</b>	<b>80.75</b>

#### Summary of Balance Sheet (₹ in lakhs)

Metric	FY25	FY24
<b>Equity and Liabilities</b>		
Equity Share Capital	3,064.90	2,823.59
Other Equity	57,797.00	49,115.40
Non-current Liabilities	8,448.50	4,527.00
Current Liabilities	56,913.37	39,023.96
<b>Total Equity and Liabilities</b>	<b>1,26,223.76</b>	<b>95,489.95</b>
<b>Assets</b>		
Non-current Assets	27,335.00	18,813.90
Fixed Assets	23,956.14	16,761.81
Current Assets	98,908.76	1,354.52
<b>Total Assets</b>	<b>1,26,223.76</b>	<b>95,489.95</b>

#### Key Financial Ratios

The table below outlines key financial ratios, with detailed explanations provided for any significant changes (i.e., a change of 25% or more compared to the previous financial year).

Key Ratio	FY25	FY24	Reason for Change
<b>Profitability Ratios</b>			
Gross Profit Margin	29.37%	30.46%	-
EBITDA Margin	23.71%	23.27%	-
EBIT Margin	20.98%	20.24%	-
Operating Profit Margin (%)	20.26%	19.53%	-
Profit Before Tax Margin	14.91%	12.08%	-
Profit After Tax Margin (%)	10.18%	8.52%	-
<b>Return Ratios</b>			
Return on Equity (RoE)	10.15	7.01	-
Return on Capital Employed (RoCE)	0.17	0.13	-
Return on Net Worth (RoNW)	9.41	6.10	-
<b>Leverage &amp; Coverage Ratios</b>			
Net debt-to-equity ratio	1.07	0.84	-
Interest coverage ratio	3.45	2.48	-
<b>Efficiency &amp; Liquidity Ratios</b>			
Inventory turnover	0.77	0.67	-
Debtors' turnover ratio	2.37	1.95	-
Current ratio	1.74	1.98	-

#### Significant Changes in Key Financial Ratios

This table highlights key financial ratios that have changed by 25% or more in FY24 compared to the previous financial year.

Key Financial Ratio	FY25	FY24	% Change
Debt service coverage ratio	7.28	16.41	(55.62)
Return on equity ratio	10.15	7.91	44.73
Trade receivable turnover ratio	2.37	1.95	21.95
Net profit ratio	10.18	8.52	19.51

## Outlook

Moving forward, Apollo Micro Systems Limited aims to reinforce its R&D foundation to drive innovation and develop cutting-edge technologies in defence and strategic electronics. The Company's strategy is focused on moving up the value chain to become a global Original Equipment Manufacturer (OEM), delivering complete, high-reliability solutions. The Company aims to expand its presence in the Indian market by leveraging indigenous capabilities and aligning with national defence initiatives. Simultaneously, it seeks to grow its footprint in international markets by offering advanced, export-ready systems. This integrated approach positions the Company for sustainable growth, technological leadership and global competitiveness in the years ahead.

## Risk Management

The Company's operations involves working in a multifaceted and ever-evolving regulated environment, which comes with numerous threats. The Company applies a formal risk management process to address these issues. This entails collaboration with all department heads and senior management to recognise possible internal and external threats to the Company's objectives. Important risks that are tracked comprise regulatory alterations, competition, technology, cybersecurity, economic and political influences and ESG issues. The entire risk management policy is reviewed each year by the senior leadership to ensure it continues to be effective, protecting the interests of the company and its stakeholders.

## Human Resource

The Company recognises its employees as the pillars of its success and values their well-being, development and protection. It strives to provide a safe and supportive working environment that celebrates diversity and supports individual growth. The Company's success has been largely due to our capacity for discovering, cultivating and retaining brilliant people, backed by ongoing training schemes and a participative team culture. In order to provide a safe working environment, it has in place extensive health and safety policies and sensitivity programs in all offices and manufacturing plants. As of March 31, 2025, the company had more than 405 employees.

## Health and Safety

The Company has established comprehensive health and safety policies and procedures, supported by regular training and awareness programs for all its staff. The Company makes active efforts to identify and minimise any potential occupational health and safety risks across its operations. It has implemented an array of safety measures throughout its corporate office and manufacturing facilities to effectively identify and address health and safety hazards while improving performance in these areas.

## Internal Control Systems

In order to maintain operational integrity, the company maintains an internal control system that is appropriate for its size and complexity, for which responsibility rests with the Board of Directors. The principal objectives of these controls are to safeguard company assets, provide reasonable assurance the financial and operating data are accurate, adhere to the laws and ensure corporate policies are applied. An independent internal audit staff, reporting to the Audit Committee Chairman, reviews these systems on a regular basis. From their findings, managers implement corrective actions to improve the control environment overall.

## Cautionary Statement

The MDA section contains forward-looking statements about the Company's future prospects. These statements involve both known and unknown risks and uncertainties that could significantly impact actual results. Additionally, the Company faces unforeseen and ever-evolving risks in its operating environment. The assumptions in the report are based on internal and external information, forming the foundation for specific facts and figures. However, its essential to recognise that these assumptions may evolve over time, leading to corresponding adjustments in estimates. These forward-looking statements reflect the Company's current intentions, beliefs, or expectations and are relevant as of their original date. Please note that the Company is not obligated to revise or update these forward-looking statements, regardless of any new information, future events, or changing circumstances.

# Notice

Notice is hereby given that the Twenty Eighth (28th) Annual General Meeting ("AGM") of the Members of Apollo Micro Systems Limited ("the Company") will be held on Tuesday, the 16th day of September, 2025 at 11:30 A.M. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following business:

## ORDINARY BUSINESS

### 1. Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended 31st March, 2025, together with the Reports of the Board of Directors and the Auditors thereon and, in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

**RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended 31st March, 2025 including the Audited Balance Sheet as at 31st March, 2025; the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date along with the Schedules and Notes thereto and the reports of the Board of Directors and Auditor thereon as circulated to the members with the Notice of the Annual General Meeting and submitted to this meeting be and are hereby considered and adopted.

### 2. Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended 31st March, 2025 together with the Reports of the Auditors thereon and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

**RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended 31st March, 2025 including the Audited Balance Sheet as at 31st March, 2025; the Statement of Profit & Loss and the Cash Flow Statement for the year ended on that date along with the Schedules and Notes thereto and the report of Auditor thereon as circulated to the members with the Notice of the Annual General Meeting and submitted to this meeting be and are hereby considered and adopted

### 3. Declaration of Dividend on the Equity Shares.

To declare a final dividend on equity shares for the financial year ended as on 31st March, 2025 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** a final dividend at the rate of ₹ 0.25 per equity share of ₹ 1/- (Rupee One) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended as on 31st March, 2025 and the same be paid out of the profits of the Company."

### 4. Re-appointment of Ms. Kavya Gorla as Director, liable to retire by rotation

To appoint a Director in place of Ms. Kavya Gorla [DIN: 06407238], who retires by rotation and, being eligible, offers herself for re-appointment and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152(6) of the Companies Act, 2013 and Companies (Appointment and Qualification of Directors) Rules, 2014 Ms. Kavya Gorla having [DIN: 06407238], who retires by rotation and being eligible offers herself for re-appointment, be and is hereby re-appointed as a Director of the Company, who is liable to retire by rotation."

## SPECIAL BUSINESS

### 5. Ratification of Remuneration of Cost Auditors

To consider the ratification of remuneration payable to Cost Auditors Messrs G H REDDY & ASSOCIATES, Cost Accountants (Firm Registration Number - 002110) and, in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution

**"RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty thousand Only) plus applicable taxes and reimbursement of out-of-pocket expenses payable to

Messrs G H REDDY & ASSOCIATES, Cost Accountants (Firm Registration Number - 002110), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company for the Financial Year ending March 31, 2026.

**RESOLVED FURTHER THAT** the Board of Directors and/or any person authorised by the Board, be and is hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

**6. To appoint Secretarial Auditors of the Company**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 204 and other applicable provisions, if any, of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), other applicable laws/statutory provisions, if any, as amended from time to time, M/s MNM & Associates, Practising Company Secretaries (Firm Registration Number (P2017TL059600) be and are hereby appointed as Secretarial Auditors of the Company for a term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between the Board of Directors of the Company and the Secretarial Auditors.”

**7. To consider and approve material Related Party Transactions**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 read with the rules framed thereunder (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force, if any), and in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time,

the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (“Board”), for entering into and / or carrying out and / or continuing with existing contracts / arrangements / transactions or modification(s) of earlier / arrangements / transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), with below mentioned entities during the financial year 2025-26 as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of all these transaction(s) may exceed the prescribed thresholds as per provisions of the SEBI Listing Regulations as applicable from time to time, provided, however, that the said contract(s)/arrangement(s)/ transaction(s) shall be carried out at an arm’s length basis and in the ordinary course of business of the Company.

S. No	Name of Related Party	Nature of Relationship
1.	Ananya SIP RF Technologies Private Limited	Subsidiary
2.	Apollo Defence Industries Private Limited	Subsidiary
3.	Apollo Strategic Technologies Private Limited	Step down Subsidiary
4.	Apollo Food and Beverages Private Limited	Common Director(s)

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements / transactions, settle all questions, difficulties or doubts that may arise in this regard.

**8. Approval for giving Loan or Guarantee or providing Security in connection with loan availed by Apollo Defence Industries Private Limited pursuant to Section 185 of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Meeting of Board and its Powers) Rules, 2014 and in accordance with the applicable

provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by Apollo Defence Industries Private Limited, subsidiary of the Company up to a sum not exceeding ₹1,500 Crores (Rupees One Thousand Five Hundred Crores only) at any point of time, in its absolute discretion deem beneficial and in the best interest of the Company.”

“**RESOLVED FURTHER THAT** the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan / guarantee /security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds / documents / undertakings / agreements / papers / writings for giving effect to this Resolution.”

**9. Approval for giving Loan or Guarantee or providing Security in connection with loan availed by Apollo Strategic Technologies Private Limited pursuant to Section 185 of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Meeting of Board and its Powers) Rules, 2014 and in accordance with the applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s)

authorized by the Board to exercise its powers, including the powers conferred by this Resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by Apollo Strategic Technologies Private Limited, step-down subsidiary of the Company , up to a sum not exceeding ₹1,500 Crores (Rupees One Thousand Five Hundred Crores only) at any point of time, in its absolute discretion deem beneficial and in the best interest of the Company.”

“**RESOLVED FURTHER THAT** the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan / guarantee /security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds / documents / undertakings / agreements / papers / writings for giving effect to this Resolution.”

**10. Approval for giving Loan or Guarantee or providing Security in connection with loan availed by Ananya SIP RF Technologies Private Limited pursuant to Section 185 of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Meeting of Board and its Powers) Rules, 2014 and in accordance with the applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/ to be taken by Ananya SIP RF Technologies Private Limited, subsidiary of the Company , up to a sum not exceeding ₹1,500 Crores (Rupees One Thousand Five Hundred Crores only) at any point of time, in its

absolute discretion deem beneficial and in the best interest of the Company.”

“**RESOLVED FURTHER THAT** the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan / guarantee /security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds / documents / undertakings / agreements / papers / writings for giving effect to this Resolution.”

**11. Approval for giving Loan or Guarantee or providing Security in connection with loan availed by Apollo Food and Beverages Private Limited pursuant to Section 185 of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 185 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Meeting of Board and its Powers) Rules, 2014 and in accordance with the applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), (including any statutory modification(s),

clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution) for giving loan(s) in one or more tranches including loan represented by way of book debt (the “Loan”) to, and/or giving of guarantee(s), and/or providing of security(ies) in connection with any Loan taken/to be taken by Apollo Food and Beverages Private Limited, a company in which Directors of the Company are interested as specified in the explanation to sub-section 2 of section 185 of the Act, up to a sum not exceeding ₹.1,500 Crores (Rupees One Thousand Five Hundred Crores only) at any point of time, in its absolute discretion deem beneficial and in the best interest of the Company.”

“**RESOLVED FURTHER THAT** the Board is hereby authorised to negotiate, finalise agree the terms and conditions of the aforesaid loan / guarantee /security and to do all such acts, deeds and things as may be necessary and incidental including signing and/or execution of any deeds / documents / undertakings / agreements / papers / writings for giving effect to this Resolution.”

By Order of the Board  
For **Apollo Micro Systems Limited**

Place: Hyderabad  
Date: 28th July, 2025

Sd/-  
**Rukhya Parveen**  
Company Secretary & Compliance Officer

**Notes:**

1. The Ministry of Corporate Affairs (“MCA”) permitted holding of the AGM through VC/OAVM, without physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the 28th AGM of the Company is being held through VC/OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM. [General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013”, General Circular Nos. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 in relation to “Clarification on holding of AGM through VC/ OAVM, collectively referred to as “MCA Circulars” and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13 May 2022 and SEBI/HO/DDHS/DDHSRACPOD1/ P/ CIR/2023/001 dated 5 January 2023 and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated 7 October 2023 and latest SEBI Circular No. SEBI/HO/CFD/CFD-PoD2/P/ CIR/2024/133 dated October 3, 2024].
2. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended (‘Act’) setting out material facts concerning the business with respect to Item No.’s 5-11 forms part of this Notice. Additional information, pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’) and Secretarial Standard - 2 on General Meetings/issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking re-appointment at this Annual General Meeting (‘Meeting’ or ‘AGM’) is furnished as an Annexure to the Notice.
3. **Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
5. Dispatch of Annual Report through Electronic Mode:  
In compliance with the MCA Circulars and SEBI Circular, Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose e-mail address is registered with the Company/ Depository Participants. Members may note that the Notice and Annual Report 2024-25 will also be available on the Company’s website <https://apollo-micro.com/investors/>, websites of the Stock Exchanges, that is, BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), respectively, CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) and on the website of Company’s Registrar and Transfer Agent, Bigshare Services Private Limited (‘Bigshare’) at [www.bigshareonline.com](http://www.bigshareonline.com)
6. To support ‘Green Initiative’ for receiving all communication (including Annual Report) from the Company electronically:  
Members holding shares in dematerialised mode are requested to register / update their e-mail address with the relevant Depository Participant.
7. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode. Members seeking to inspect such documents can send an e-mail to [cs@apollo-micro.com](mailto:cs@apollo-micro.com).
8. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [mnmandassociates@gmail.com](mailto:mnmandassociates@gmail.com) with a copy marked to [cs@apollo-micro.com](mailto:cs@apollo-micro.com)  
However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.

9. The Company has fixed Tuesday, 09th September, 2025 as the 'Record Date' for determining entitlement of members to dividend for the financial year ended 31st March, 2025, if approved at the AGM.
10. Subject to the provisions of the Act, the dividend as recommended by the Board of Directors for the financial year 2024-25, if approved/declared at the AGM, the payment of such dividend subject to deduction of tax at source will be made within a period of 30 days from the date of declaration, to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Tuesday, 09th September, 2025 the 'Record Date'.
11. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Interim Dividend declared for the financial year 2018-19 would be the first to become due for transfer to IEPF in December, 2025. The Final Dividend declared for the financial year 2019-20 would be due for transfer to IEPF in October, 2027, the Final Dividend declared for the financial year 2020-21 would be due for transfer to IEPF in October, 2028, the final Dividend declared for the financial year 2021-22 would be due for transfer to IEPF in October, 2029, the final dividend declared for the 2022-23 would be due for transfer to IEPF in October 2030, the final dividend declared for the financial year 2023-24 would be due for transfer in IEPF in October, 2031. Members, who have not claimed the Unpaid Dividend so far, are requested to make their claim to the Company's Registrar & Transfer Agents (R & T Agents).

Pursuant to the provisions of the Companies act, 2013, rules made there under and IEPF rules the details of the unpaid/unclaimed dividend of the shareholders w.r.t to the interim dividend declared for the FY 2018-19, Final Dividend declared for the financial year 2019-20, Final Dividend declared for the financial year 2020-21, Final Dividend declared for the financial year 2021-22, Final Dividend declared for the financial

year 2022-23 and Final Dividend declared for the financial year 2023-24 is available on the website of the Company under the section "Investors".

Members may please note that in the event of transfer of such shares and the unclaimed dividends to IEPF, members are entitled to claim the same from IEPF authorities by submitting an online application in the prescribed Form IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in the Form IEPF- 5.

Members are requested to refer to the Corporate Governance Report for information in connection with the unpaid / unclaimed dividend along with underlying shares thereto liable to be transferred to Investor Education and Protection Fund (IEPF) administered by the Central Government. Members are requested to refer the website of the Company for the details made available by the Company pursuant to the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017.

12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participants in case the shares are held in electronic form and to the Company's RTA (Bigshare Services Private Limited) in case the shares are held in physical form.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before by 03rd September, 2025 to email id [cs@apollo-micro.com](mailto:cs@apollo-micro.com). The same will be replied the Company suitably.
14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's

website <https://apollo-micro.com/investors/>.

Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

16. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [cs@apollo-micro.com](mailto:cs@apollo-micro.com) by 11:59 p.m. IST on Wednesday, 03rd September, 2025. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [cs@apollo-micro.com](mailto:cs@apollo-micro.com). The aforesaid declarations and documents need to be submitted by the shareholders on or before by 11:59 p.m. IST on Wednesday, 03rd September, 2025.

17. The Company's Registrar and Transfer Agent for its share registry work is Bigshare Services Private Limited (herein after referred to as "RTA"). All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & Share Transfer Agents, at the address mentioned below: M/s. Bigshare Services Private Limited

M/s. Bigshare Services Private Limited  
(Unit: Apollo Micro Systems Limited)  
306, Right Wing, 3rd Floor, Amrutha Ville, Opp:  
Yashoda Hospital, Rajbhavan Road,  
Hyderabad – 500 082 (India)  
Tel : 040-4014 4582,  
Email: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)  
Website: [www.bigshareonline.com](http://www.bigshareonline.com)

18. As directed by SEBI, Members are requested to-
- Intimate to the DP, changes if any, in their registered addresses and/or changes in their bank account details, if the shares are held in dematerialized form.
  - Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

SEBI vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024.

19. **The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form who have not done so are requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts.**
20. The Company has appointed M/s. MNM & Associates, Company Secretaries represented by Mrs. Sridevi Madati, Practising Company Secretary (Membership No. F6476 and CP No. 11694) as the Scrutinizer to conduct the voting process (e-voting and poll) in a fair and transparent manner.
21. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
22. The result declared along with the Scrutinizer's Report shall be placed on the Company's website <https://apollo-micro.com/investors/> under the section "Investors" and on the website of CDSL <https://www.evotingindia.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

### 23. CDSL e-Voting System – For e-voting and Joining Virtual meetings.

- a. The general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide MCA Circulars. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
- b. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- c. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- d. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- e. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available

for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

- f. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://apollo-micro.com/investors/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) [i.e. www.evotingindia.com](http://www.evotingindia.com).
- g. The AGM will be convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars as stated above.

#### THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (i) The e-voting period begins on Saturday, 13th September, 2025 (09:00 A.M. IST) and ends on Monday, 15th September, 2025 (05:00 P.M. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 09th September, 2025 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only

facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**Step 1:** Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">availableathttps://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLoginThe">https://evoting.cdslindia.com/Evoting/EvotingLoginThe</a> system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Provider</li> </ol>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> <li>4) For OTP based login you can click on <a href="https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsd.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

### Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 21 099 11
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-48867000 and 022-24997000

**Step 2:** Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>● If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Company Name> (in our case, select "Apollo Micro Systems Limited") on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatorily to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [srinadati@gmail.com](mailto:srinadati@gmail.com) and [cs@apollo-micro.com](mailto:cs@apollo-micro.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

- (i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

- (ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- (iii) Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (vii) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before 03rd September 2025, 11:59 P.M. mentioning their name, demat account number/folio number, email id, mobile number at company email id [cs@apollo-micro.com](mailto:cs@apollo-micro.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before 03rd September 2025, 11:59 P.M. mentioning their name, demat account number/folio number, email id, mobile number at the company email id [cs@apollo-micro.com](mailto:cs@apollo-micro.com). These queries will be replied to by the company suitably by email.
- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- (ix) Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- (x) If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
2. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 210 9911

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 210 9911.

By Order of the Board  
For **Apollo Micro Systems Limited**

Place: Hyderabad  
Date: 28th July, 2025

Sd/-  
**Rukhya Parveen**  
Company Secretary & Compliance Officer

## DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING [PURSUANT TO REGULATION 36(3) OF THE SEBI LISTING REGULATIONS AND SECRETARIAL STANDARDS ON GENERAL MEETINGS]

Particulars	Mr. Kavya Gorla
Director Identification Number (DIN)	06407238
Date of Birth / Age	19/07/1984 (41 Years)
Date of first appointment on the Board	13/10/2022
Educational Qualification	She has a Graduate degree in the field of Electronics and Communication Engineering. Her passion for airplanes led her to pursue flight training in Florida, United States of America. She has been a qualified pilot since 2007.
Experience (including expertise in specific functional areas) / Brief Resume	She has industry experience working as a qualified pilot with Air Deccan, Kingfisher Airlines, and Jet Airways. Her last flight assignment was with Jet Airways India Limited. She has extensive knowledge in the design and application of Airplane Aerodynamics, Airplane Engines, Avionics, and Radio Navigation Systems. She is presently pursuing entrepreneurial ventures in the manufacture of heavy engineering applications in the fields of Mining, Automobile, Oil and Gas, and Electrical Infrastructure.
Directorships /Partnerships held in other companies/LLP's	ONI Manufacturing LLP
Memberships/ Chairmanships of committees across companies	Apollo Micro Systems Limited-Member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee
Details of Resignation from listed entities in the past three years	NIL
Relationship with other Directors/Key Managerial Personnel	NIL
No. of shares held in the Company either by self or on a beneficial basis for any other person	NIL

For details regarding the number of meetings of the Board/Committees attended by the above Director during the year and remuneration drawn/sitting fees received, please refer to the Boards' Report and the Corporate Governance Report forming part of the Annual Report.

In terms of the provisions of Section 152(6) of the Act, Ms Kavya Gorla (DIN: 06407238), retires by rotation at the meeting. The Board of Directors recommends her re-appointment.

## EXPLANATORY STATEMENT

### (PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)

#### Item 5: Ratification of Remuneration of Cost Auditors:

In terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to undertake the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 to be conducted by a Cost Accountant in practice.

In compliance with the above, the Audit Committee of the Company at its meeting held on 23rd May, 2025 considered the appointment of Messrs G H REDDY & ASSOCIATES, Cost Accountants (Firm Registration Number – 002110) as the Cost Auditors of the Company for FY 2025-26. At the said meeting, the Audit Committee also considered the remuneration of ₹1,50,0000/- (plus applicable taxes and reimbursement of out-of-pocket expenses) payable to the Cost Auditors for FY 2025-26.

In making the decision on the appointment and remuneration of the Cost Auditors, the Audit Committee considered the Cost Auditors' performance during the previous year in examining and verifying the accuracy of the cost accounting records maintained by the Company. Accordingly, the Audit Committee recommended to the Board, the appointment of Messrs G H REDDY & ASSOCIATES, Cost Accountants (Firm Registration Number – 002110) as the Cost Auditors of the Company for FY 2025-26 at a remuneration of ₹ 1,50,0000/- (plus applicable taxes and reimbursement of out-of-pocket expenses).

The Board, on the recommendation of the Audit Committee approved the appointment of Messrs G H REDDY & ASSOCIATES, Cost Accountants (Firm Registration Number – 002110) as the Cost Auditors of the Company for the FY 2025-26. The Board, also on the recommendations of the Audit Committee approved the remuneration of Rs.1,50,0000/- (excluding applicable taxes and reimbursement of out-of-pocket expenses) payable to Cost Auditors for FY 2025-26.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board is required to be ratified by the Members of the Company.

The consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2026.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested whether financially or otherwise in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members as Ordinary Resolution.

#### Item No.6 To Appoint Secretarial Auditors of the Company

The Board at its meeting held on 23rd May, 2025 based on recommendation of the Audit Committee, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of M/s MNM & Associates, Practising Company Secretaries, a peer reviewed firm (Firm Registration Number: P2017TL059600) as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members.

The appointment of Secretarial Auditors shall be in terms of the amended Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

M/s MNM & Associates, is a well-known firm of Practising Company Secretaries founded in 2016 and based in Hyderabad. The firm has a rich history that stretches over more than 8 years, and the team is mentored by a senior professional of repute, who has 21 years of experience in corporate, secretarial affairs, legal, regulatory matters, compliance and liaison work. Further, the firm boasts a diverse and distinguished client base, encompassing local, national and international corporates across a broad range of sectors. MNM & Associates deployed a team of professionals, demonstrating their expertise and proficiency in handling secretarial audit of our Company.

The Firm is Renowned for its commitment to quality and precision, the firm has been Peer Reviewed by the Institute of Company Secretaries of India (ICSI), ensuring the highest standards in professional practices.

M/s MNM & Associates, has confirmed that the firm is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations. The services to be rendered by M/s MNM & Associates, as Secretarial Auditors is within the purview of the said regulation read with SEBI circular no. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

The proposed fees in connection with the secretarial audit shall be as decided by the Board of Directors of the Company in consultation with the Secretarial Auditors, for FY 2026, and for subsequent year(s) of their term, such fees as may be mutually agreed between the Board of Directors and M/s MNM & Associates.

In addition to the secretarial audit, M/s MNM & Associates, shall provide such other services in the nature of certifications and other professional work, as approved by the Board of Directors. The relevant fees will be determined by the Board, as recommended by the Audit Committee in consultation with the Secretarial Auditors.

The Board recommends the Ordinary Resolution as set out in Item No. 6 of this Notice for approval of the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, in the Resolution set out in Item No. 6 of this Notice.

### **Item No. 7 To consider and approve material Related Party Transactions**

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of members by means of an ordinary resolution for all material related party transactions and subsequent material modifications as defined by the audit committee, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. Effective from April 1, 2022, a transaction with a related party shall be considered as material if the transaction(s) to be entered

into, either individually or taken together with previous transactions during a financial year, whether directly and/or through its subsidiary(ies), exceed(s) 1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

During the financial year 2025-26, the Company and few of its subsidiary(ies)/related entities, propose to enter into certain related party transaction(s) as mentioned below, on mutually agreed terms and conditions, and the aggregate of such transaction(s), is expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions proposed to be undertaken by the Company and the subsidiaries/related entities as mentioned in the resolution. All the said transactions shall be in the ordinary course of business and on an arm's length basis. The Audit Committee has, on the basis of relevant details provided by the management as required by the law, reviewed and approved the said transaction(s), subject to approval of the Members, while noting that such transaction shall be on arms' length basis and in the ordinary course of business and are in accordance with the Related Party Policy of the Company.

The Board of Directors recommend the said resolution as set out in item no. 7 of this Notice, for your approval. The Members may note that in terms of the provisions of the SEBI Listing Regulations, the related parties as defined thereunder (whether such related party(ies) is a party to the aforesaid transactions or not), shall not vote to approve the said resolution.

Mr. Baddam Karunakar Reddy Managing Director and Mr. Addepalli Krishna Sai kumar, Wholetime Director (Operations) and their relatives are deemed to be concerned or interested in this resolution. None of the other Directors, Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise, in the proposed resolution as set out in Item Nos. 7 of this Notice.

The details as required under Regulation 23(4) of the SEBI Listing Regulations read with SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 are given below:

Particulars	Name of the Related Party with whom the transaction is proposed to be entered	Apollo Defence Industries Private Limited	Apollo Strategic Technologies Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Food and Beverages Private Limited
i.	Type of transaction	Sale, Purchase of goods or materials , availing or providing services, selling or buying of property, leasing of property, entering into corporate guarantee, providing financial assistance and any other related transactions in the interest of the Company			
ii.	Material terms and particulars of the proposed transaction	Material terms and conditions are based on the contracts which inter alia include the rates which are based on prevailing market price and commercial terms as on the date of entering into the contract(s). Where market price is not available, alternative method including reimbursement of actual cost incurred or cost-plus mark-up as applicable and as determined by an independent consulting firm will be considered			
iii.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	Subsidiary	Step Down subsidiary	Subsidiary Company	Common Directors  Mr.Baddam Karunakar Reddy, Managing Director and Mr.Addepalli Krishna Sai Kumar, Whole Time Director are also Directors in Apollo Food & Beverages Private Limited
iv.	Tenure of the Proposed transaction	During the financial year 2025-26			
v.	Value of the proposed transaction (not to exceed)	₹.300 Crores	₹.300 Crores	₹.300 Crores	₹.300 Crores
vi.	Value of RPT as % of Company's audited consolidated annual turnover of Rs 562.06 crore for the financial year 2024-25	53.38%	53.38%	53.38%	53.38%

Particulars	Name of the Related Party with whom the transaction is proposed to be entered	Apollo Defence Industries Private Limited	Apollo Strategic Technologies Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Food and Beverages Private Limited
vii.	If the transaction relates to any loans, inter - corporate deposits, advances or investments made or given by the listed entity or its subsidiary: Details of the source of Funds Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Out of accumulated free reserves of the Company The detailed terms, including covenants, tenure, interest rate, repayment schedule and security (if applicable), will be determined at the time of execution of the transaction, subject to being on an arm's length basis, in the ordinary course of business, and in compliance with the Company's Related Party Transactions Policy and applicable laws. The purpose for which the funds will be utilized by the ultimate beneficiary will be determined at the time of execution of the transaction, based on business requirements. The same shall be in the ordinary course of business, on an arm's length basis and in compliance with the Company's Related Party Transactions Policy.			
viii.	Justification as to why the RPT is in the interest of the Company.	The proposed related party transactions will be undertaken in the ordinary course of business and on an arm's length basis. They are anticipated to facilitate operational efficiency, optimal utilization of resources, fulfillment of business commitments, and implementation of growth plans.			
ix.	Copy of the valuation or other external party report, if any such report has been relied upon.	Not applicable			
x.	Any other information relevant or important for the members to take a decision on the proposed transaction.	NIL			

#### **ITEM NO. 8 TO 11 APPROVAL FOR GIVING LOAN OR GUARANTEE OR PROVIDING SECURITY IN CONNECTION WITH LOAN AVAILED BY COMPANIES PURSUANT TO SECTION 185 OF THE COMPANIES ACT, 2013.**

The Company may have to render support for the business requirements of Apollo Defence Industries Private Limited, Apollo Strategic Technologies Private Limited, Ananya SIP RF Technologies Private Limited and Apollo Food and Beverages Private Limited, in whom any of the Director of the Company is deemed to be interested (collectively referred to as the "Entities"), from time to time. The Board of Directors seek consent of the Members by way of a Special Resolution pursuant to Section 185 of the Act (as

amended by the Companies (Amendment) Act, 2017) for making loan(s) or providing financial assistance or providing guarantee or securities in connection with the loans taken or to be taken by the Entities for the capital expenditure of the projects and/or working capital requirements including purchase of fixed assets as may be required from time to time for the expansion of its business activities and other matters connected and incidental thereon for their principal business activities. The Members may note that Board of Directors will carefully evaluate proposals and may provide such loan, guarantee or security through deployment of funds out of internal resources/accruals and/or any other appropriate sources, from time to time, up to an amount of ₹.1,500/- Crore. for each entity as mentioned in the resolutions at item No's 8 to 11.

Further, the proposed loan shall be at such rate of interest as agreed by the parties in the best interest of the Company

The Board of Directors recommend the resolutions given in Item No's 8 to 11 of this Notice for your approval as a Special Resolutions.

Mr. Baddam Karunakar Reddy Managing Director and Mr. Addepalli Krishna Sai Kumar, Wholetime Director

(Operations) and Mr. Raghupathy Goud Theegala, Chairman and Mr. Sudarshan Chiluveru, CFO (to the % of shareholding in Ananya SIP RF Technologies Private Limited) and their relatives are deemed to be concerned or interested in this resolution. None of the other Directors, Key Managerial Personnel of the Company and their relatives, is in any way, concerned or interested, financially or otherwise, in the proposed resolutions as set out in Item No's. 8 to 11 of this Notice.

By Order of the Board  
For **Apollo Micro Systems Limited**

Place: Hyderabad  
Date: 28th July, 2025

Sd/-  
**Rukhya Parveen**  
Company Secretary & Compliance Officer

# Directors' Report

To the Members,

Your Directors are pleased to present you the 28<sup>th</sup> Annual Report of Apollo Micro Systems Limited ("the Company" or "AMS") along with the audited financial statements, for the financial year ended 31<sup>st</sup> March, 2025.

## 1. FINANCIAL RESULTS

The audited financial statements of the Company as on 31<sup>st</sup> March, 2025 are prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and provisions of the Companies Act, 2013 ("Act").

**The summary of financial performance (standalone & consolidated) for the Financial Year ended 31<sup>st</sup> March, 2025 and the corresponding figures for the Financial Year ended 31<sup>st</sup> March, 2024 are as under:**

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Particulars	Standalone		Standalone	
	Current year (2024-25)	Previous year (2023-24)	Current year (2024-25)	Previous year (2023-24)
Revenue from Operations	56,206.92	37,163.42	56,206.92	37,163.42
Other Income	404.83	263.38	288.54	182.57
<b>Total Revenue</b>	<b>56,611.75</b>	<b>37,426.80</b>	<b>56,495.46</b>	<b>37,345.99</b>
Cost of materials Consumed	43,567.13	28,319.37	43,545.09	28,316.02
Changes in inventories of finished goods, WIP, stock- in -trade	(3,870.53)	(2,474.78)	(3,870.53)	(2,474.78)
Employee Benefit Expenses	2,183.45	1,688.53	2,198.58	1,688.53
Other Expenses	1,404.97	1,244.05	1,412.81	1,247.09
Financial charges	3,414.35	3,030.15	3,421.58	3,030.17
Depreciation	1,531.94	1,129.56	1,533.29	1,129.56
Profit or Loss Before exceptional and extraordinary items and tax	8,380.43	4,489.91	8,254.64	4,409.40
Exceptional Items	-	-	-	-
Profit or Loss Before tax (PBT)	8,380.43	4,489.91	8,254.64	4,409.40
Tax Expenses: a) Current Tax	1,891.01	642.97	1,852.37	618.70
b) Earlier Tax Adjustments	53.13	(26.27)	53.13	(26.27)
c) Deferred Tax	712.13	706.31	713.37	706.31
<b>Total Tax Expense</b>	<b>2,656.27</b>	<b>1,323.01</b>	<b>2,618.88</b>	<b>1,298.74</b>
<b>Net Profit or Loss After Tax (NP)</b>	<b>5,724.16</b>	<b>3,166.90</b>	<b>5,635.77</b>	<b>3,110.66</b>
Earnings Per Share (Basic)	1.89	1.27	1.86	1.24
Earnings Per Share (Diluted)	1.89	1.19	1.86	1.16

(Previous year figures have been regrouped wherever necessary to confirm to the current year's presentation)

The financial statements for the year ended 31<sup>st</sup> March, 2025 and 31<sup>st</sup> March, 2024 have been prepared as per the Ind AS (Indian Accounting Standards). There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report.

## 2. COMPANY'S PERFORMANCE

During the year under review FY 2024-25, the standalone performance of your company was reported as under:

The revenue from operations is ₹56,206.92 lakhs against ₹ 37,163.42 lakhs in the previous year.

The Earnings Before Interest, Tax, Depreciation & Amortization (“EBITDA”) has been increased by 54.07% to ₹ 13,326.72 lakhs against ₹ 8,649.63 lakhs in the previous year. The Profit before Tax (“PBT”) for the year under review is ₹ 8,380.43 lakhs as against ₹ 4,489.91 lakhs in the previous year. The Net profit after tax of the Company for the year under review has been increased by 80.75% to ₹ 5,724.16 lakhs against ₹ 3,166.90 lakhs in the previous year. The Earning per Share (“EPS”) of the Company for the year under review is ₹1.89 (basic) and ₹1.89/- (diluted) per share.

The key aspect of your Company’s consolidated performance during the FY 2024-25 are as follows:

The revenue from operations is ₹56,206.92 against ₹ 37,163.42 lakhs in the previous year. The Earnings Before Interest, Tax, Depreciation & Amortization (“EBITDA”) has been increased by ₹ 54.15% to ₹ 13,209.51 lakhs against ₹ 8,569.16 lakhs in the previous year. The Profit before Tax (“PBT”) for the year under review is ₹ 8,254.64 as against ₹ 4,409.40 lakhs in the previous year. The Net profit after tax of the Company for the year under review has been increased by 66.01% to ₹ 5,635.77 against ₹ 3,110.66 lakhs in the previous year. The Earning per Share (“EPS”) of the Company for the year under review is ₹ 1.86/- (basic) and ₹1.86 /- (diluted) per share.

### 3. BUSINESS OUTLOOK

India's defence sector is entering a transformative era, driven by increasing strategic autonomy, regional security imperatives, and a global recalibration of defence supply chains. As international conflicts intensify and the unpredictability of geopolitical alliances becomes more evident, countries around the world are accelerating their military preparedness and local production capabilities. Amidst this global churn, India has emerged as a resilient, neutral and technology-capable partner, well-positioned to lead the defence industrial evolution across the Global South.

India's push for defence self-reliance is now deeply institutionalised through major policy initiatives such as Aatmanirbhar Bharat, the Defence Acquisition Procedure (DAP 2020), positive indigenisation lists, and robust financial incentives through schemes like iDEX, TDF, and Make-I/II. This has translated into unprecedented opportunities for Indian private sector firms to play a decisive role not only in catering to

domestic defence forces, but also in becoming part of global defence supply chains.

The surge in defence capital procurement budget and the Government's target to achieve over ₹1.75 lakh crore in defence production with ₹35,000 crore in exports by 2030 has created a highly enabling environment for companies like Apollo Micro Systems Limited.

At the same time, India's strategic positioning balancing regional security interests while maintaining positive relationships with both the West and the East has amplified its credibility as a reliable partner in the global defence landscape. Partner nations are now actively exploring co-development and co-production opportunities with Indian firms, particularly in advanced systems such as missile guidance, C4ISR, UAVs, and smart munitions.

Within this dynamic landscape, Apollo Micro Systems Limited (AMS) is strategically aligning itself to leverage the shift from prototype and development-centric work to full-scale platform production. With strong legacy capabilities, focused R&D investments, recent backward-integrated acquisitions (e.g., IDL Explosives), and new infrastructure capacity in the pipeline, AMS is well positioned to become a system-of-systems integrator and a strategic partner for both Indian and global defence needs.

The current fiscal and the next few years offer a compelling opportunity to transition from niche subsystem supplier to a prime contractor role in select verticals like precision munitions, embedded guidance, and smart explosives. Moreover, the increasing digitization of battlefield systems and the convergence of electronics, AI, and edge computing in military applications further reinforces AMS's technological advantage.

In summary, the global environment has made self-reliant defence capability not just an option but a strategic necessity. With strong execution, partnerships, and policy alignment, AMS is well positioned to lead the next wave of India's defence industrial growth.

### 4. CREDIT RATING

During the year under review, your Company has obtained the Credit Rating from Acuite Rating & Research Limited (“**credit rating agency**”) to its

₹ 393.50 Crores Line of Credit (short term 85.00 Crores & long term 308.50 Crores) of the Company which is as follows:

Long-Term Rating	ACUITE BBB (pronounced ACUITE triple B)
Short-Term Rating	ACUITE A3+ (pronounced ACUITE A three plus)

The outlook on the long-term rating has been assigned as “Stable” by the credit rating agency.

## 5. SHARE CAPITAL

### (a) Capital structure of the Company:

- Authorised Share Capital of the Company

As on 1<sup>st</sup> April, 2024, the Authorised Share Capital of the Company stood at ₹ 36,00,00,000/- (Rupees Thirty-Six Crores Only) comprising of 36,00,00,000 (Thirty-Six Crores Only) Equity Shares of ₹ 1/- (Rupee One Only).

During the year, the members of the company in their Extra-ordinary General Meeting held on 04<sup>th</sup> February, 2025 approved the increase of authorised Share Capital from the existing ₹ 36,00,00,000/- (Rupees Thirty-Six Crores Only) divided into 36,00,00,000 (Thirty Six Crores Only) Equity Shares of ₹ 1 /- (Rupees One Only) each to ₹ 45,00,00,000/- (Rupees Forty Five Crores Only) divided into 45,00,00,000 (Forty Five Crores Only) Equity Shares of ₹ 1/- (Rupee One Only) each by the addition there to a sum of ₹ 9,00,00,000/- (Rupees Nine Crores Only) divided into 9,00,00,000 (Nine Crores) Equity Shares of ₹ 1/- (Rupee One Only) each ranking pari-passu in all respects with the existing shares of the Company.

Consequently, the Authorised Share Capital of the company as on 31<sup>st</sup> March, 2025 stood at ₹ 45,00,00,000/- (Rupees Forty Five Crores Only) comprising of 45,00,00,000 (Forty Five Crores Only) Equity Shares of ₹ 1/- (Rupee One Only) each.

- Issued, Subscribed, and Paid-Up Capital of the Company

During the year under review, the Company allotted 2,41,30,700 equity shares of Re. 1/- (Rupee one) each pursuant to the conversion of warrants into equity. Consequently, as on

31<sup>st</sup> March 2025, the issued, subscribed, and paid-up capital of the Company stood at Rs. 30,64,89,560 /- comprising 30,64,89,560 equity shares of Re. 1/- each.

### (b) Status of Shares:

As the members are aware, the Company's shares are compulsorily tradable in electronic form. Out of the total paid up capital representing 30,64,89,560 equity shares, the following equity shares of the Company are in dematerialized as on 31<sup>st</sup> March, 2025:

Sr. No	Capital Details	No. of Shares	% of Total issued Capital
1.	Held in dematerialised form in CDSL	8,40,89,339	27.44
2.	Held in dematerialised form in NSDL	22,24,00,221	72.56
<b>Total</b>		<b>30,64,89,560</b>	<b>100.00</b>

### (c) Preferential issue of Share Warrants:

The company had allotted 98,85,070 convertible warrants on a preferential basis to promoters and non-promoters, with an option to convert the same into an equal number of equity shares at a price of ₹ 186/- per warrant, including a premium of ₹ 176/- per share on the face value of ₹ 10/- per share, within a period of 18 months from the date of allotment of warrants, i.e., 5<sup>th</sup> December 2022, as per the terms and conditions approved in the Extraordinary General Meeting held on 12<sup>th</sup> November 2022. The Company had also received in-principle approval from BSE Limited and National Stock Exchange of India Limited on 22<sup>nd</sup> November 2022 for this matter.

Subsequently, due to the stock split, where one equity share of ₹ 10/- each was sub-divided into 10 equity shares of ₹ 1/- each, each warrant was convertible into 10 equity shares of ₹ 1/- each.

As on 31<sup>st</sup> March, 2024, 74,72,000 warrants were converted into 7,47,20,000 equity shares and the balance 24,13,070 warrants were converted into 2,41,30,700 equity shares during the year 2024-25. Hence as on 31<sup>st</sup> March, 2025, the total 98,85,070 warrants, were converted into equity shares of ₹ 1/- each.

**(d) Allotment of Equity Shares upon exercise of warrants:**

During the year under review, the following allotments of equity shares took place upon the exercise of warrants:

Sr. No	Date of Allotment	No. of Warrants converted	No. of Equity Shares allotted	Paid- up Share Capital post allotment
1.	03.05.2024	16,50,600	1,65,06,000	Rs. 29,88,64,860
2.	03.06.2024	2,16,000	21,60,000	Rs. 30,64,89,560

Note: The paid-up share capital of the company prior to the aforesaid allotments i.e., as on 01<sup>st</sup> April, 2024 was ₹ 28,23,58,860 comprising 28,23,58,860 Equity Shares of ₹ 1/- each.

**6. ANNUAL RETURN [SECTION 134 (3) (a) & SECTION 92(3)]**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2025 is available on the Company's website at <https://apollo-micro.com/wp-content/uploads/2025/08/ANNUAL-RETURN-2024-25.pdf>

**7. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS [SECTION 134 (3) (b)]:**

During the year under review, Nine (9) meetings of the Board of Directors of the Company were held on 20<sup>th</sup> May, 2024, 14<sup>th</sup> June, 2024, 23<sup>rd</sup> July, 2024, 09<sup>th</sup> August, 2024, 25<sup>th</sup> October, 2024, 21<sup>st</sup> November, 2024, 09<sup>th</sup> January, 2025, 04<sup>th</sup> February, 2025 and 21<sup>st</sup> March, 2025. The attendance of Directors for the above meetings is given in the Corporate Governance Report that forms part of this annual report. The maximum interval between any two meetings did not exceed 120 days.

The Detailed information of meetings of board of directors is given in the Corporate Governance Report annexed to this annual report.

In terms of requirements of Schedule IV of the Act, a separate meeting of Independent Directors held on 25<sup>th</sup> March, 2025 to review the performance of the Non-Independent Directors; the Chairperson; the entire Board and its Committees thereof and; assess the quality, quantity and timelines of the flow of information between the Management and the Board.

**8. DIRECTOR'S RESPONSIBILITY STATEMENT [SECTION 134 (3) (c) & 134(5)]**

Pursuant to Section 134(5) of the Companies Act, 2013 (the "Act"), the Board of Directors, to the best of its knowledge and ability, confirm that:

(a) in the preparation of the annual accounts for the period ended 31<sup>st</sup> March, 2025, the

applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**9. DETAILS OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT [SECTION 134 (3) (ca)]:**

During the year under review, Statutory Auditor, Secretarial Auditor and the Cost Auditor have not reported any incident of fraud under section 143(12) of the Act.

## 10. STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS SECTION 134 (3) (d)]

The Board took on record the declaration and confirmation submitted by the independent directors regarding their meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same as required under Regulation 25 of the SEBI Listing Regulations.

The Company has received and taken on record the declarations received from the Independent Directors of the Company as required pursuant to section 149(7) of the Act stating that meet the criteria of independence as provided in section 149 (6) of the Act, as amended and Regulation 16(1)(b) of the SEBI Listing Regulations as amended. There has been no change in the circumstances affecting their status as independent directors of the Company.

## 11. FAMILIARISATION PROGRAMME

The Members of the Board of the Company have been provided opportunities to familiarise themselves with the Company, its Management, and its operations. The Directors are provided with all the documents to enable them to have a better understanding of the Company, its various operations, and the industry in which it operates.

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Key management personnel of the Company presents to the Audit Committee on a periodical basis, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

The Statutory Auditors and Internal Auditors of the Company presents to the Audit Committee and Board of Directors on Financial Statements and Internal Controls including presentation on regulatory changes from time to time. The detail policy on the familiarisation programme is available on the website at [www.apollo-micro.com/investors](http://www.apollo-micro.com/investors) under the Section "Investors".

## 12. COMMITTEES OF THE BOARD

The Board of Directors has constituted various mandatory and non-mandatory Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting. The Board currently has the following Committees:

### (a) Audit Committee

The Audit Committee was constituted by our Board in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The composition, quorum, terms of reference, function, powers, roles and scope are in accordance with Section 177 of the Act and the provisions of Regulation 18 of the SEBI Listing Regulations. All the members of the committee are financially literate and Mrs. Karunasree Samudrala, Chartered Accountant the Chairman of the Committee is an Independent Director and possesses the relevant financial expertise.

The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

### (b) Corporate Social Responsibility (CSR) Committee

The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and society. The Company considers social responsibility as an integral part of its business activities and endeavours to utilize allocable CSR budget for the benefit of society.

The CSR Committee has been constituted as required under the provisions of section 135 of the Act. The details regarding composition, objectives, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

The Committee formulated and recommended to the Board the CSR Policy. On the recommendations of the CSR Committee, the Board approved and adopted the CSR Policy of the Company. The Corporate Social Responsibility Policy is posted under the Investors section of the Company's website at: <https://apollo-micro.com/wp-content/uploads/2017/12/CSR-POLICY.pdf>

As per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, annual report on CSR is prepared and the same is enclosed as Annexure-A to this Report.

**(c) Stakeholder's Relationship Committee**

Stakeholder's Relationship Committee has been constituted by the Board in accordance with Section 178 (5) of the Act.

The details regarding composition, terms of references, powers, functions, scope, meetings, attendance of members and the status of complaints received during the year are included in Corporate Governance Report which forms part of the Annual Report.

**(d) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been constituted by the Board in accordance with section 178 of the Act and Regulation 19 of SEBI Listing Regulations.

The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

**Policy on Remuneration of Directors, KMPs and other employees**

The Policy of the Company on remuneration of Directors, KMPs, Senior Management and other employees including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178 is made available on the Company's website <https://apollo-micro.com/investors/> under the section "Investors". The website link is [http://apollo-micro.com/wp-content/uploads/2017/09/REMUNERATION\\_POLICY.pdf](http://apollo-micro.com/wp-content/uploads/2017/09/REMUNERATION_POLICY.pdf)

**(e) Risk Management Committee**

The Risk Management Committee was constituted pursuant to resolution of the

Board, which has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise-wide risk management framework.

The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

**(f) Executive Committee of Directors & CFO**

The Executive Committee of Directors and Chief Financial Officer (CFO) ("Executive Committee") has been formed by the Board, under the provisions of Section 179(3) of the Act and rules made there under in order to have the timely and expeditious execution of routine financial matters.

The details regarding composition, terms of references, powers, responsibilities, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

**(g) Securities Allotment Committee**

Securities Allotment Committee was constituted pursuant to resolution of the Board, which has been entrusted with the responsibility to assist the Board in overseeing and considering the allotment of securities.

The details regarding composition, terms of references, powers, functions, scope, meetings and attendance of members are included in Corporate Governance Report which forms part of the Annual Report.

**13. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE [SECTION 134 (3) (f)]:**

By the Statutory Auditor in their Report: has no qualification or adverse remarks: NIL

By Company Secretary in Practice in Secretarial Audit Report: has below mentioned observations.

- The Registrar of Companies, Hyderabad (ROC) had issued a show-cause notice dated 04/06/2024 for non-filing of Cost Audit report in Form CRA-4 for FY 2022-23. In this connection, the Company has responded to the show cause notice on 12/07/2024 stating the non-filing the

said form was due to oversight. The Company filed the said form on 12/07/2024 and reported the same in its response to show cause notice. Further the Company also filed a compounding application dated 13th September, 2024 before Regional Director, South East Region, Hyderabad.

- The Registrar of Companies, Hyderabad (ROC) had issued a show-cause notice dated 26/03/2025 for delayed filing of Cost Audit report in Form CRA-4 for FY 2023-24. In this connection, the Company has responded to the show cause notice on 24/04/2025 stating the delayed filing the said form was due to oversight.

The Board took note of the above observations of the auditors at their meeting held on 28<sup>th</sup> July, 2025 and resolved to ensure due compliance henceforth and make sure that the reporting's are filed on time.

Secretarial Audit Report is attached to this report as Annexure-B

#### **14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 [SECTION 134 (3) (g)]**

During the financial year 2024–25, the Company has given loans to Ananya SIP RF Technologies Private Limited and Apollo Defence Industries Private Limited, subsidiaries of the Company (details provided below). Further, the Company has provided a corporate guarantee in favour of Axis Trustee Services Limited, on behalf of the Debenture Holders, for the issuance of debentures by Apollo Defence Industries Private Limited, a subsidiary company. Except for the above, the Company has not given any other loans or guarantees, nor has it provided any security or made any acquisition of securities of any other body corporate, as referred to in Section 186 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014.

Further, during the period under review, the Company's subsidiary, Apollo Defence Industries Private Limited invested in M/s. Apollo Strategic Technologies Private Limited, to the extent of 51% by subscribing to 5,100 equity shares of Rs. 10 each, amounting to a total investment of Rs.51,000. Thereby, M/s. Apollo Strategic Technologies Private Limited became the Step-down Subsidiary of the Company with effect from 10th December, 2024.

The details of the Loans, Guarantees and Investments or security made during the year under review under

section 186 of the Companies Act, 2013 are given in the Notes forming part of the financial Statements.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES [RULE 8(5)(iv) OF COMPANIES (ACCOUNTS) RULES, 2014]**

“Your Company has two subsidiary companies: M/s. Ananya SIP RF Technologies Private Limited (CIN: U74990TG2015PTC097610) and M/s. Apollo Defence Industries Private Limited (CIN: U26109TS2023PTC177370) and one step down subsidiary: M/s. Apollo Strategic Technologies Private Limited (CIN: U26109TS2024PTC191803). The Company holds a 51% stake in M/s. Ananya SIP RF Technologies Private Limited and a 76% stake in M/s. Apollo Defence Industries Private Limited. Apart from these, the Company does not have any joint ventures or associate companies during the year under review.”

Pursuant to the provisions of Section 129, 134 and 136 of the Act read with rules made thereunder and Regulation 33 of the SEBI Listing Regulations the Company has prepared consolidated financial statements of the Company and a separate statement containing the salient features of financial statement of subsidiaries in Form AOC-1 forms part of this Annual Report as **Annexure-C**.

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the members of the holding and subsidiary company seeking such information on all working days during business hours. The financial statements of the subsidiary company shall also be kept for inspection by any members during working hours at the Company's registered office and that of the subsidiary companies concerned.

In accordance with Section 136 of the Act, the audited financial statements, including consolidated financial statements and related information of the Company and audited accounts of its subsidiaries, are available on website, <https://apollo-micro.com/investors/>. Pursuant to Section 134 of the Act read with rules made thereunder, the details of developments of subsidiaries of the Company are covered in the Management Discussion and Analysis Report which forms part of this Report.

Further, during the period under review, the Company's subsidiary, Apollo Defence Industries Private Limited invested in M/s. Apollo Strategic Technologies Private Limited, to the extent of 51% by subscribing to 5,100 equity shares of Rs. 10 each, amounting to

a total investment of Rs.51,000. Thereby, M/s. Apollo Strategic Technologies Private Limited became the Step-down Subsidiary of the Company with effect from 10th December, 2024.

## 15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES [SECTION 134 (3) (h)]

All related party transactions entered into by the Company during the financial year 2024-25 were in the ordinary course of business and on arm's length basis and in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. During the financial year under review, none of the transactions entered into with related parties were material as defined under the Act and SEBI Listing Regulations.

The particulars of contract or arrangements entered into by the Company, during the financial year 2024-25, with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto has been disclosed in Form No. AOC -2, attached to the Board's report as **Annexure-D**. The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website [https://apollo-micro.com/wp-content/uploads/2017/09/policy\\_on\\_related\\_party\\_transactions.pdf](https://apollo-micro.com/wp-content/uploads/2017/09/policy_on_related_party_transactions.pdf) under the Section "Investors".

## 16. RESERVES [SECTION 134 (3) (j)]

During the financial year 2024-25, the Board of Directors has not recommended transfer of any amount of profit to any reserves. Hence, the amount of profit for the financial year under review has been carried forward to the Statement of Profit and Loss.

## 17. DIVIDEND [SECTION 134 (3) (k)]

Your Directors have pleasure in recommending a dividend of 25% (₹ 0.25/- per Equity Share of face value of ₹1/- each) on the fully paid up Equity Shares out of the profits of the Company for the financial year 2024-25. The said dividend, if approved by the shareholders, would result into a cash outflow of approximately ₹ 8,33,83,113.50/- (The amount may increase in view of the conversions of Convertible Equity Warrants).

The dividend pay-out for the year under review has been finalized in accordance with the dividend distribution policy of the company.

## 18. DIVIDEND DISTRIBUTION POLICY

Regulation 43A of the SEBI Listing Regulations mandates the top 1000 listed companies based on their market capitalization to formulate a Dividend Distribution Policy. We are pleased to inform you that as on 31<sup>st</sup> March, 2025, your Company is among the top 1000 listed entities. The Company has a Dividend Distribution Policy in place prior to the applicability under Regulation 43A of the SEBI Listing Regulations and the same is displayed on the company's website under the web link <https://apollo-micro.com/wp-content/uploads/2017/12/DIVIDNED-DECLARATION-POLICY.pdf>. The Policy is also annexed herewith as Annexure-E to the Board's Report.

## 19. MATERIAL CHANGES AND COMMITMENTS, IF ANY [SECTION 134 (3) (l)]

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

## 20. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO [SECTION 134 (3) (m)]:

The Company continues its efforts to reduce and optimize the energy consumption at its manufacturing facility.

### A. Conservation of Energy

The operations of the company are not energy intensive. Adequate measures are taken to conserve and reduce the energy consumption like usage of LED Lights and power saving centralized air conditioners.

### Research & Development

During the year under review, Apollo Micro Systems Limited has made substantial strides in strengthening its indigenous technology capabilities through focused investments in strategic R&D initiatives. Our R&D efforts were directed toward the development of critical defence subsystems that are aligned with current and emerging requirements of the Indian Armed Forces.

Key advancements were made in the following areas:

- **Homing Systems for Lightweight Torpedoes:** Our team has achieved significant progress in the algorithmic and hardware integration of next-generation acoustic homing systems for underwater platforms.
- **Electromechanical Actuators:** We have completed critical design and validation phases for actuator systems tailored for SWARM platforms and missile fin control applications, reinforcing our precision guidance portfolio.
- **Signal Processing Modules for Moored Mines:** Cutting-edge underwater processing systems were prototyped and tested for naval mine warfare applications.
- **Avionics Systems:** We have furthered our expertise in ruggedized electronics for mission-critical avionics packages, with new designs entering the prototype stage.
- **Anti-Submarine Warfare Systems:** We have successfully started our first ASW weapon design and have made significant progress in its development right from scratch by Indigenizing fully and not just any reverse engineering. This is a classic example of our abilities build up in developing complete weapon system platforms.
- **Short Range Rockets:** We have designed Rocket Motor and warhead for short Range Ground to air application and this Rocket system shall undergo its trials in FY26.

In parallel, our R&D division has actively contributed to multiple "Make" and "Make-II" proposals under the Ministry of Defence's innovation and indigenization frameworks. We are proud to share that AMS was awarded a Make-II project by the Indian Army, reflecting the trust and confidence in our engineering and product realization capabilities.

Additionally, recognizing the importance of building modular and scalable technology blocks for future tri-services requirements, we have expanded our internal technology roadmap. Several development initiatives have been

undertaken proactively to align with anticipated procurement programmes from the Army, Navy, and Air Force.

Consistent with our philosophy of long-term investment in indigenous capabilities, AMS has invested ₹3,352.30 Lakhs in R&D during FY 2024–25. These investments are expected to start yielding commercial value and order conversions beginning FY 2025–26 and FY 2026-27 onwards, positioning AMS as a key player in next-generation weapon systems, sub-systems, and electronics for the Indian defence ecosystem.

## B. Technical Absorption

The Company works on in house Technology.

## C. Foreign Exchange Earnings and Outgo:

Foreign Exchange outgo and earnings

Particulars	Year ended 31 <sup>st</sup> March, 2025 (Amount in Lakhs)	Year ended 31 <sup>st</sup> March, 2024 (Amount in Lakhs)
Value of imported raw-materials on CIF basis	3,160.69	₹ 4,018.48
Other	64.74	₹ 48.12
Expenses:		
Foreign Travel Expenses		
Earnings in foreign currency:		
FOB Value of Exports	--	--
For Services Rendered	--	--

## 21. ANNUAL EVALUATION ON PERFORMANCE [SECTION 134(3) (p)]:

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board has carried out an annual evaluation of performance of its own, the Committees thereof and the Director

The Board is pleased to report that the result thereof show that the Company is well-equipped in the management as well as the governance aspects.

The Independent Directors at their separate meeting held on 25<sup>th</sup> March, 2025 reviewed the performance of Non-Independent Directors (Executive & Non-Executive), Chairperson, performance of the Board as a whole and its various committees and also assessed the quality, quantity and timelines of flow of information between the Company Management and the Board.

The Independent Directors expressed their satisfaction on the overall functioning and effectiveness of the Board, Committees and performance of individual Non-Independent Board members and the Chairman.

The Board (excluding the Independent Directors being evaluated) has evaluated the performance of the Independent Directors on parameters such as Knowledge, Experience, Integrity, Independence of judgment, adherence to Code of Conduct, Corporate Governance, Contribution, attendance & level of participation and fulfilment of Independence Criteria etc. in accordance with the Company's "Policy [https://apollo-micro.com/wpcontent/uploads/2017/09/POLICY\\_FOR\\_EVALUATION\\_OF\\_DIRECTORS\\_AND\\_KEY\\_MANAGERIAL\\_PERSONNEL\\_AND\\_OTHER\\_EMPLOYEES.pdf](https://apollo-micro.com/wpcontent/uploads/2017/09/POLICY_FOR_EVALUATION_OF_DIRECTORS_AND_KEY_MANAGERIAL_PERSONNEL_AND_OTHER_EMPLOYEES.pdf) for evaluation of Directors and Key Managerial Personnel and other employees".

The Board has expressed its satisfaction to the performance of the Independent Directors and appreciated the level of participation of Independent Director

## **22. EMPLOYEE STOCK OPTIONS SCHEME [RULE 12(9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014]:**

The Company has in place the Employee Stock Option Scheme 2018 (ESOS-2018) to attract, reward, motivate and retain its employees, who have shown high levels of individual performance and for the unusual efforts, put in by them to improve the operational and financial performance of the Company, which ultimately contributes to the success of the Company.

During the financial year 2024-25, no grant of options was made to the employees of the company, under the ESOS scheme. The disclosures according to the provisions of the Act and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 as on 31<sup>st</sup> March, 2025 with regard to the Apollo Employee Stock Option Scheme 2018 (ESOS-2018) are annexed to this Report as Annexure-F.

## **23. CHANGE IN THE NATURE OF BUSINESS [RULE 8(5)(ii) OF COMPANIES (ACCOUNTS) RULES, 2014]**

There is no change in the nature of the business of the Company during the financial year 2024-25.

## **24. CHANGE IN THE DIRECTORS OR KEY MANAGERIAL PERSONNEL [RULE 8(5)(iii)& 8(5)(iii)(a) OF COMPANIES (ACCOUNTS) RULES, 2014]**

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 mentioned in Corporate Governance report attached hereto as **Annexure G**. There is an optimum combination of Executive and Non-Executive Directors. The Company has 8 (Eight) Directors as on 31<sup>st</sup> March, 2025. Out of the 8 (Eight) Directors 3 (Three) are Executive Directors, 3 (Three) Non-Executive-Independent Directors and 2 (Two) Non-Executive Non-Independent Director. The Chairman of the Company is a non-executive independent director.

Pursuant to the provisions of the Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed under the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company.

Ministry of Corporate Affairs vide its Notification number G.S.R. 804(E) dated October 22<sup>nd</sup>, 2019 had amended the Companies (Appointment and Qualification of Directors) Rules, 2014 and its amendment thereof requiring the registration of Independent Directors in the databank maintained by the Indian Institute of Corporate Affairs ("IICA") and passing the online proficiency self-assessment test conducted by the IICA within two(2) year from the date of inclusion of his/her name in the data bank.

- Mr. Raghupathy Goud Theegala, Independent Director has duly registered his name in the data bank of IICA w.e.f. 25<sup>th</sup> February, 2020 and passed the online proficiency self-assessment test on 22<sup>nd</sup> February 2022.
- Mrs. Karunasree Samudrala, Independent Director has duly registered her name in the data bank of IICA w.e.f. 25<sup>th</sup> February, 2020 and passed the online proficiency self-assessment test on 10<sup>th</sup> April, 2020.

- Mr. Chandrashekar Matham, Independent Director has duly registered his name in the data bank of IICA w.e.f. 06<sup>th</sup> August, 2024 and is exempted from taking the online proficiency self-assessment test.

In opinion of the Board, they fulfill the conditions specified in the Act and the Rules made there under for the appointment as Independent Directors and are independent of the management.

The Independent Director's possess the relevant integrity, expertise, experience and proficiency.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company other than sitting fees, commission, if any.

During the financial year 2024-25, no changes took place in the Directors or Key Managerial Persons (KMP's) of the Company.

Mrs. Kavya Gorla (DIN:06407238) retires by rotation at the ensuing 28<sup>th</sup> Annual General Meeting and being eligible, offers herself for reappointment.

Additional information on reappointment of Mrs. Kavya Gorla (DIN:06407238 ) as director and as required under regulation 36(3) of the SEBI Listing Regulations is given in the Notice convening the forthcoming AGM.

## **25. DEPOSITS [RULE 8(5) (v) OF COMPANIES (ACCOUNTS) RULES, 2014]**

The Company has not accepted any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. There are no unpaid or unclaimed deposits as the Company has never accepted deposits within the meaning of the Act and the rules made thereunder.

## **26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL [RULE 8(5) (vii) OF COMPANIES (ACCOUNTS) RULES, 2014]**

During the financial year 2024-25, the Company hasn't received any significant and material orders that impact the going concern status and company's operations in future.

## **27. INTERNAL FINANCIAL CONTROLS [RULE 8(5)(viii) OF COMPANIES (ACCOUNTS) RULES, 2014]**

The Company has kept in place adequate financial controls to check and control any defects and frauds in the Company. Adequate internal control systems commensurate with the nature of the Company's business, its size, and complexity of its operations are in place and have been operating satisfactorily. Internal control systems comprising policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Vigil Mechanism Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

## **28. PARTICULARS OF EMPLOYEES**

The information required under section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 respectively, are given in **Annexure-H**, which forms part of this Report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure (Annexure H) forming part of this report . Further, the report and the accounts are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

## **29. AUDITORS AND AUDIT REPORT**

### **(a) Statutory Auditors & their Reports**

M/s. S T Mohite & Co. (FRN 011410S), Hyderabad were appointed as Statutory Auditors of the

Company in the Annual General Meeting held on August 25, 2022 for a period of 5 Years and holds office until the conclusion of the 30<sup>th</sup> Annual General Meeting to be held in the calendar year 2027.

Further, the remuneration to be paid to Statutory Auditors for FY 2024-25 is ₹ 13.00 Lakhs plus out of pocket expenses and applicable taxes and the remuneration for the remaining tenure of their second term as Statutory Auditors shall be mutually agreed between the Board of Directors and M/s. S T Mohite & Co, from time to time.

The report of the Statutory Auditor forms part of this Annual Report and Annual Accounts 2024-25. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors did not report any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3) (ca) of the Act.

Further, M/s. S T Mohite & Co. have confirmed their eligibility for their appointment as Statutory Auditors and the same are within the limits as specified in section 141 of the Companies Act, 2013 and have also confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

#### **(b) Internal Auditors**

As per the provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors in its meeting held on 23<sup>rd</sup> May, 2025 had appointed M/s. E Sateesh Reddy & Associates, Chartered Accountants, Hyderabad (ICAI Firm Registration No. 014888S), as Internal Auditor to conduct the internal audit of the Company for the Financial Year 2025-26 on a remuneration of Rs.6,00,000/- per annum

The Internal Audit Report for the Financial Year 2024-25 issued by M/s Surya Pavan & Co, Chartered Accountants, Vijayawada is submitted which is self-explanatory and do not call for any further explanation of the Board.

#### **(c) Cost Auditors**

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Act.

The Board of Directors of the Company in its meeting held on 23<sup>rd</sup> May, 2025 has, on the recommendation of the Audit Committee, approved the appointment of M/s G H Reddy & Associates, Cost Accountants (Firm Registration Number – 002110) for the year ending March 31, 2026. M/s G H Reddy & Associates have experience in the field of cost audit.

The Board, also on the recommendations of the Audit Committee approved the remuneration of ₹1.5 lakh (Rupees One lakh Fifty Thousand only) (excluding applicable taxes and reimbursement of out-of-pocket expenses) payable to Cost Auditors for FY 2025-26. The same is placed for ratification of Members and forms part of the Notice of the AGM.

#### **(d) Secretarial Auditors**

As per the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors in its meeting held on 20<sup>th</sup> May, 2024 had appointed M/s. MNM & Associates, Company Secretaries in Practice (Firm Registration No: P2017TL059600), Hyderabad as Secretarial Auditor of the Company, to conduct the Secretarial audit for the Financial Year 2024-25.

The Secretarial Audit Report, pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, issued by Ms. Sridevi Madati, Practising Company Secretary, in Form MR-3 for the financial year 2024-25 is annexed to the Board's Report as Annexure-B.

Further, the Board in its meeting held on 23<sup>rd</sup> May, 2025, has approved the appointment of M/s. MNM & Associates, Company Secretaries, Hyderabad (Firm Registration No: P2017TL059600) as the Secretarial Auditor of the Company for a period of five (5) consecutive financial years commencing from FY 2025-26 to FY 2029-30, subject to approval of the Shareholders at the ensuing Annual General Meeting of the Company

### 30. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report (“MD&A”) for the year under review as stipulated under the SEBI Listing Regulations is presented in a separate section forming part of this Annual Report.

### 31. REPORT ON CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and as stipulated under the SEBI Listing Regulations. A separate section titled Corporate Governance Report as **Annexure-G** under the SEBI Listing Regulations along with a Corporate Governance Certificate from the Practicing Company Secretary in the **Annexure-I** and CFO Certification in compliance with Regulation 17(8) of SEBI Listing Regulations in the **Annexure-J** forms the part of this report.

### 32. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit Functions reports to the Board including Audit Committee of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

### 33. VIGIL MECHANISM

The Company’s Board of Directors, pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, has framed ‘Whistle Blower Policy’ for Directors and employees of the Company. The policy is to provide a mechanism, which ensures adequate safeguards to employees and Directors from any victimisation on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any, financial statements and reports, and so on. The employees of the Company have the right/option to report their concern/grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Whistle Blower Policy is hosted on the Company’s website <https://apollo-micro.com/wp-content/uploads/2017/09/WHISTLE-BLOWER-POLICY.pdf> under the section “Investors”.

### 34. INVESTORS EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to section 124 of the Act, Dividends that are unclaimed for a period of seven years are required to be transferred to the IEPF, established by the Government of India. During the year under review, there was no outstanding amount of unclaimed dividends which was liable to be transfer to the IEPF.

### 35. HUMAN RELATIONS

The Company continues to have cordial and harmonious relationship with its employees and thank all employees for their cooperation and the contribution towards harmonious relationship and progress of the company.

### 36. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to provide work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also committed to promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity and will not tolerate any form of sexual harassment and to take all necessary steps to ensure that its employees are not subjected to any form of harassment.

Thus, in order to create a safe and conducive work environment the Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (prevention, Prohibition, & Redressal) Act, 2013.

Further, the Company has complied with provisions relating to constitution of Internal Complaints Committee (“ICC”) under Sexual Harassment of women at workplace (Prevention, Prohibition, & Redressal) Act, 2013. The Committee has been set up to redress complaints received regarding sexual harassment. The detail of the committee members is available on the website of the Company <https://apollo-micro.com/wp-content/uploads/2019/09/REVISED-Workplace-Sexual-Harassment-Policy-apollo-micro-systems-limited.pdf> under the section “Investors”. All employees (permanent, contractual, trainees, temporary) are covered under this policy.

During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **37. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR [RULE 8(5)(xi) OF COMPANIES (ACCOUNTS) RULES, 2014]**

During the year under review, the Company did not make any applications under the Insolvency and Bankruptcy Code, 2016. Additionally, there are no ongoing proceedings against the Company under the said Code.

### **38. DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS [RULE 8(5)(xii) OF COMPANIES (ACCOUNTS) RULES, 2014]**

During the financial year under review, there has been no instance of one-time settlement with any banks or financial institutions. Therefore, no valuation differences are reported.

### **39. APPLICABILITY OF BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)**

In accordance with Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the top 1,000 listed entities based on market capitalization as on 31<sup>st</sup> March of every financial year are required to include a Business Responsibility and Sustainability Report (BRSR) as part of their Annual Report.

As of March 31, 2024, Apollo Micro Systems Limited is ranked within the top 1,000 listed entities based on its market capitalization, thereby making the BRSR applicable to the Company for the financial year 2024-25.

The BRSR report outlines the Company's initiatives and performance related to sustainability and responsible

business conduct, demonstrating our commitment to ESG principles.

The BRSR report has been prepared in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is annexed to the Board's Report as **Annexure - K**.

### **40. COMPLIANCE WITH SECRETARIAL STANDARDS**

The Directors state that the Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

### **41. DIRECTORS AND OFFICERS INSURANCE ('D&O')**

As per the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has taken Directors and Officers Insurance ('D&O') for all its directors.

### **42. BOARD OPINION ON THE INDEPENDENT DIRECTOR APPOINTED:**

The Board declares that in their opinion, all the independent directors are persons of integrity and possess all the relevant expertise and experience (including the proficiency).

### **43. UNCLAIMED DIVIDENDS:**

In accordance with the provisions of Sections 124 and 125 of Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) Unpaid / Unclaimed Dividends and dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority.

The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

Due dates for transfer of dividend unclaimed to IEPF are as follows:

Financial Year	Rate of Dividend	Date of Declaration of Dividend	Last date for claiming un-paid dividends by Investors	Due date for transfer to IEPF
2018-2019	10% Interim Dividend (i.e. ₹ 1 per equity share of face value of ₹10 each)	01.11.2018	03.12.2025	04.12.2025
2019-2020	5% Final Dividend (i.e., ₹ 0.5 per equity share of face value of ₹10 each)	25.09.2020	29.10.2027	30.10.2027
2020-2021	2.5% Final Dividend (i.e., ₹ 0.25 per equity share of face value of ₹10 each)	28.09.2021	29.10.2028	30.10.2028
2021-2022	2.5% Final Dividend (i.e., ₹ 0.25 per equity share of face value of ₹10 each)	20.09.2022	14.10.2029	15.10.2029
2022-2023	2.5% Final Dividend (i.e., ₹ 0.025 per equity share of face value of ₹1 each*)	29.09.2022	30.10.2030	31.10.2030

\* The company had sub divided (stock split) equity share from face value of ₹10/- to ₹1/- per share, pursuant to the shareholders' approval for Sub-division of every 1 (One) equity share of face value of ₹10/- (Rupees Ten only) each into 10 (Ten) equity shares of the face value of ₹1/- (Rupee One only) each, with effect from the record date Thursday, 4<sup>th</sup> May, 2023.

Members are requested to claim dividend(s) which have remained unclaimed, by sending a request to the Company at e-mail ID [cs@apollo-micro.com](mailto:cs@apollo-micro.com) or to the Company's Registrar and Share Transfer Agent (RTA) at e-mail [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com) or to their postal address 306, Right Wing, 3<sup>rd</sup> Floor, Amrutha Ville, Opp: Yashoda Hospital, Rajbhavan Road, Hyderabad – 500 082 (India), Telangana, India. During the financial year 2024–25, the Company declared and paid a dividend, and the list of shareholders with unclaimed dividends has been updated on the Company's website at: <https://apollomicro.com/investor-corner/unpaid-andunclaimed-dividend-and-shares/>

During the financial year, the Company did not transfer any unclaimed or unpaid amounts or shares to the Investor Education and Protection Fund (IEPF).

#### 44. STATEMENT THAT THAT COMPANY HAS COMPLIED WITH MATERNITY BENEFIT ACT:

The Company has complied with the provisions of Maternity Benefit Act.

#### 45. NUMBER OF EMPLOYEES AS ON CLOSE OF FINANCIAL YEAR

Particulars	No. of Employees
Male	332
Female	73
Transgender	-
<b>Total</b>	<b>405</b>

#### 46. ACKNOWLEDGEMENTS

The Directors thank all customers, bankers, investors, shareholders, vendors and other stakeholders for their continued support and patronage during the year under review. The Board appreciates its employees for their efforts, hard work and dedication, which enabled the Company to achieve the targets and recognitions.

For and on behalf of the Board  
**APOLLO MICRO SYSTEMS LIMITED**

Place: Hyderabad  
Date: 28<sup>th</sup> July, 2025

Sd/-  
**Karunakar Reddy Baddam**  
Managing Director  
DIN: 00790139

Sd/-  
**Krishna Sai Kumar Addepalli**  
Whole Time Director (Operations)  
DIN: 03601692

## Annexure A

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY AS PER RULE 8 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

1. Brief outline on CSR Policy of the Company: On the recommendations of the Corporate Social Responsibility Committee, the Board approved and adopted the Corporate Social Responsibility Policy of the Company. The Company adopt projects, activities or programmes under one or more of the activities as prescribed under Schedule VII of the Companies Act, 2013, as amended from time to time and in accordance with the Corporate Social Responsibility Policy. The Corporate Social Responsibility Policy is posted under the Investors section of the Company's website at <https://apollo-micro.com/wp-content/uploads/2017/12/CSR-POLICY.pdf>

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Karunakar Reddy Baddam	Chairman, Non-Independent, Managing Director	2	2
2.	Mr. Raghupathy Goud Theegala	Member, Independent Non-Executive Director	2	2
3.	Ms. Kavya Gorla	Member, Non-Independent, Non-Executive	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy approved by the board are disclosed on the website of the company:

Composition of the CSR committee shared above and is available on the Company's website on <https://apollo-micro.com/wp-content/uploads/2023/02/10.-Committees-of-the-Board-of-Directors--Others.pdf>

CSR Policy: <https://apollo-micro.com/wp-content/uploads/2017/12/CSR-POLICY.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):

As per the sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014 the requirement of Impact assessment of CSR project is not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Lakhs)	Amount required to be set-off for the financial year, if any (in ₹ Lakhs)
1.	2023-24	0.23	NIL

6. Average net profit of the company as per section 135(5): ₹ 3153.23 Lakhs

Financial Year	Profit before tax (in ₹ Lakhs)
2021-22	2,025.76
2022-23	2,944.02
2023-24	4,489.91
<b>TOTAL</b>	<b>9,459.70</b>
Average of the PBT	3,153.23

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 63.06 Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil  
 (c) Amount required to be set off for the financial year, if any: Nil  
 (d) Total CSR obligation for the financial year (7a-7b+7c): ₹ 63.06 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 100 Lakhs	Nil	-	-	Nil	-

- (b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial Year (in Rs.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
- Nil -												

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)		
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Contribution towards Environmental Sustainability	(iv)	Yes	Telangana	Hyderabad	₹ 70.00 Lakhs	No	Arunodaya Trust	CSR00012742
2.	Contribution towards educating drop out students from underprivileged backgrounds	(ii)	Yes	Telangana	Hyderabad	₹ 30.00 Lakhs	No	Sarada Educational Society	CSR00034657
<b>Total</b>						₹ 100.00 Lakhs			

- (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: Nil  
 (f) Total amount spent for the Financial Year 2024-25 (8b+8c+8d+8e): ₹ 100.00 Lakhs

**Note:** During the financial year 2020-21, an amount of ₹ 11.62 lakhs was designated towards an approved ongoing project. In the subsequent financial years 2021-22, 2022-23, and 2023-24, amounts of ₹ 10.00 lakhs, ₹ 1.21 lakhs, and ₹ 0.41 lakhs were spent, respectively. There is no remaining balance in the designated account, which was maintained in a separate bank account opened for this purpose. The entire amount has been duly spent in accordance with Section 135(6) of the Companies Act, 2013.

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 63.06 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 100.00 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 36.94 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 36.94 Lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in ₹ Lakhs).	Date of transfer.	
- Nil -							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1) Sl. No.	(2) Project ID.	(3) Name of the Project.	(4) Financial Year in which the project was commenced.	(5) Project duration.	(6) Total amount allocated for the project (in Rs.).	(7) Amount spent on the project in the reporting Financial Year (in ₹ Lakhs).	(8) Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	(9) Status of the project - Completed / Ongoing.
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(a) Date of creation or acquisition of the capital asset(s): None

(b) Amount of CSR spent for creation or acquisition of capital asset: NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not applicable.

For and on behalf of the Board  
**APOLLO MICRO SYSTEMS LIMITED**

Place: Hyderabad  
Date: 28<sup>th</sup> July, 2025

Sd/-  
**Karunakar Reddy Baddam**  
Managing Director  
DIN: 00790139

Sd/-  
**Krishna Sai Kumar Addepalli**  
Whole Time Director (Operations)  
DIN: 03601692

# Annexure B

## Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members  
**APOLLO MICRO SYSTEMS LIMITED**  
Plot No 128/A, Road No. 12, BEL Road,  
IDA Mallapur, Uppal Mandal,  
Hyderabad-500076, Telangana, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **APOLLO MICRO SYSTEMS LIMITED** (hereinafter called the company) bearing **CIN: L72200TG1997PLC026556**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March 2025, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder

to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not Applicable to the Company during the Audit Period)**
- i) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above with an emphasis to the following matters:

1. *The Registrar of Companies, Hyderabad (ROC) had issued a show-cause notice dated 04/06/2024 for non-filing of Cost Audit report in Form CRA-4 for FY 2022-23. In this connection, the Company has responded to the show cause notice on 12/07/2024 stating the non-filing the said form was due to oversight. The Company filed the said form on 12/07/2024 and reported the same in its response to show cause notice. Further the Company also filed a compounding application dated 13th September, 2024 before Regional Director, South East Region, Hyderabad.*
2. *The Registrar of Companies, Hyderabad (ROC) had issued a show-cause notice dated 26/03/2025 for delayed filing of Cost Audit report in Form CRA-4 for FY 2023-24. In this connection, the Company has responded to the show cause notice on 24/04/2025 stating the delayed filing the said form was due to oversight.*

**We further report that,** having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has generally complied with the following laws applicable specifically to the Company:

- a) The information technology Act, 2008

- b) Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company not entered into / carried out any activity that has major bearing on the company's affairs.

#### **For MNM & Associates**

Company Secretaries

Firm Registration No. P2017TL059600

#### **Sridevi Madati**

**Partner**

M.No.F6476

COP 11694

UDIN: F006476G000871692

Date: 28 July 2025

Place: Hyderabad

NOTE: This report is to be read with our letter of even date which is annexed as Annexure - 1 and forms an integral part of this report.

# Annexure 1

## Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MNM & Associates**

Company Secretaries

Firm Registration No. P2017TL059600

**Sridevi Madati**

**Partner**

M.No.F6476

COP 11694

UDIN: F006476G000871692

Date: 28 July 2025

Place: Hyderabad

# Annexure C

## FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing Salient Features of the Financial Statement of Subsidiaries

Sl. No.	Financial Year	Details	Details
1.	Name of the subsidiary Company	Ananya SIP RF Technologies Private limited (CIN: U74990TG2015PTC097610)	Apollo Defence Industries Private Limited (CIN: U26109TS2023PTC177370)
2.	Date of becoming subsidiary	August 03, 2020	September 21, 2023
3.	Start date of accounting period of subsidiary	1 <sup>st</sup> April, 2024	1 <sup>st</sup> April, 2024
4.	End date of accounting period of subsidiary	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2025
5.	Reporting Currency	INR	INR
6.	Exchange Rate	N. A	N.A.
7.	Share Capital	₹ 41.36 Lakhs	₹ 1.00 Lakhs
8.	Reserves and Surplus	₹ 153.65 Lakhs	₹ (10.54) Lakhs
9.	Total Assets	₹ 2,007.17 Lakhs	₹ 4,064.79 Lakhs
10.	Total Liabilities	₹ 2,007.17 Lakhs	₹ 4,064.79 Lakhs
11.	Investments	Nil	0.51 Lakhs
12.	Turnover	Nil	Nil
13.	Profit before/(loss) Tax	(₹ 1.73) Lakhs	₹ (9.46) Lakhs
14.	Provision for Tax (Deffred Tax)	1.07	Nil
15.	Profit after/(loss) Tax	(₹ 2.80) Lakhs	₹ (9.46) Lakhs
16.	Proposed Dividend	Nil	Nil
17.	% of Shareholding	51%	76%
18.	Contribution to overall performance of the Company	Nil	Nil
19.	Country	India	India

#### Note:

- Names of subsidiaries which are yet to commence operations- M/s Ananya SIP RF Technologies Private Limited & M/s. Apollo Defence Industries Private Limited are yet to commence its business operations
- Names of subsidiaries which have been liquidated or sold during the year- Not Applicable

**Statement containing Salient Features of the Financial Statement of Step-Down Subsidiaries**

Sl. No.	Particulars	Details
1.	Name of the subsidiary Company	Apollo Strategic Technologies Private Limited (CIN: U26109TS2024PTC191803)
2.	Date of becoming step-down subsidiary	December 10, 2024
3.	Start date of accounting period of step-down subsidiary	10 <sup>th</sup> December, 2024
4.	End date of accounting period of step-down subsidiary	31 <sup>st</sup> March, 2025
5.	Reporting Currency	INR
6.	Exchange Rate	N.A.
7.	Share Capital	₹ 1.00 Lakhs
8.	Reserve and Surplus	₹ (0.93) Lakhs
9.	Total Assets	₹ 1.00 Lakhs
10.	Total Liabilities	₹ 1.00 Lakhs
11.	Investments	Nil
12.	Turnover	Nil
13.	Profit before/(loss) Tax	₹ (0.93) Lakhs
14.	Provision for Tax	Nil
15.	Profit after/(loss) Tax	₹ (0.93) Lakhs
16.	Proposed Dividend	Nil
17.	% of Shareholding	38.76%
18.	Contribution to overall performance of the Company	Nil
19.	Country	India

Note:

- Names of step-down subsidiaries which are yet to commence operations- M/s. Apollo Strategic Technologies Private Limited is yet to commence its business operations
- Names of step-down subsidiaries which have been liquidated or sold during the year- Not Applicable

Note: There are no associate or joint venture companies.

For and on behalf of the Board  
**APOLLO MICRO SYSTEMS LIMITED**

Place: Hyderabad  
Date: 28<sup>th</sup> July, 2025

Sd/-  
**Karunakar Reddy Baddam**  
Managing Director  
DIN: 00790139

Sd/-  
**Krishna Sai Kumar Addepalli**  
Whole Time Director (Operations)  
DIN: 03601692

# Annexure D

## FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

- 1. Details of contracts or arrangements or transactions not at Arm's length basis:** There were no contracts or arrangements or transactions entered into during the year ended 31<sup>st</sup> March, 2025, which were not at arm's length basis.
- 2. Details of contracts or arrangements or transactions at Arm's length basis:** The details of contracts or arrangements or transactions at arm's length basis entered into during the year ended 31<sup>st</sup> March, 2025 are as follows:

Name of the Related Party and Nature of Relationship	Nature of contracts / Arrangement / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
Ananya Sip RF Technologies Private Limited Subsidiary Company	Loans & Advances	On demand	The loan to subsidiary is repayable on demand with interest at 11.70% p.a. The amount of Loan outstanding as on balance sheet date is ₹ 1,685.61 Lakhs	Share Holders approval on 16 <sup>th</sup> August 2024 and Board's approval on 23 <sup>rd</sup> July, 2025	-
Mr. Karunakar Reddy Baddam Managing Director	Remuneration	Continuous transaction	Remuneration paid ₹ 180.00 Lakhs	Continuous transaction	-
Mr. Chandrapati Venkata Siva Prasad Whole Time Director (Technical)	Remuneration	Continuous transaction	Remuneration paid ₹ 23.93 Lakhs	Continuous transaction	-
Mr. Addepalli Krishna Sai Kumar Whole Time Director (Operations)	Remuneration	Continuous transaction	Remuneration paid ₹ 24.00 Lakhs	Continuous transaction	-
Mr. Karunakar Reddy Baddam Managing Director	Rent Paid	Continuous transaction	Rent Paid ₹ 8.40 Lakhs	Continuous transaction	-
Mr. Sudarshan Chiluveru Chief Financial Officer (Key Managerial Personnel)	Remuneration	Continuous transaction	Remuneration paid ₹ 24.00 Lakhs	Continuous transaction	-

Name of the Related Party and Nature of Relationship	Nature of contracts / Arrangement / transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value	Date(s) of approval by the Board/ Shareholders, if any	Amount paid as advances, if any
Ms. Rukhya Parveen Company Secretary (Key Managerial Personnel)	Remuneration	Continuous transaction	Remuneration paid ₹ 11.08 Lakhs	Continuous transaction	-
Ananya Sip RF Technologies Private Limited Subsidiary Company	Job Work Charges	Continuous transaction	Job Work Charges ₹ 26.01 Lakhs	Continuous transaction	-
Apollo Defence Industries Private Limited Subsidiary Company	Loans & Advances	Continuous transaction	The loan to subsidiary is repayable on demand with interest at 11.70% p.a. The amount of Loan outstanding as on balance sheet date is ₹ 101 Lakhs	Share Holders approval on 16 <sup>th</sup> August 2024 and Board's approval on 23 <sup>rd</sup> July, 2025	-
Apollo Defence Industries Private Limited Subsidiary Company	Rent Received	Continuous transaction	Rent Received ₹ 0.60 Lakhs	Continuous transaction	-
Apollo Strategic Technologies Private Limited Step Down Subsidiary Company	Rent Received	Continuous transaction	Rent Received ₹ 0.20 Lakhs	Continuous transaction	-
Apollo Food & Beverages Private Limited Company Controlled by KMP's	Advance received for Supply of Goods	12 Months	Rs. 450 Lakhs received as advance for supply of Goods	Board's approval on 25 <sup>th</sup> October, 2025	-

For and on behalf of the Board  
**APOLLO MICRO SYSTEMS LIMITED**

Place: Hyderabad  
Date: 28<sup>th</sup> July, 2025

Sd/-  
**Karunakar Reddy Baddam**  
Managing Director  
DIN: 00790139

Sd/-  
**Krishna Sai Kumar Addepalli**  
Whole Time Director (Operations)  
DIN: 03601692

# Annexure E

## DIVIDEND DISTRIBUTION POLICY

### 1. INTRODUCTION

The Securities Exchange Board of India (SEBI) on July 8, 2016 has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 (Regulations). The Securities and Exchange Board of India vide SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, introduced Regulation 43A in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which requires top 1000 listed entities based on market capitalisation (calculated as on March 31 of every financial year) to formulate a dividend distribution policy, which shall be disclosed in their annual reports and on their websites.

As per Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, APOLLO MICRO SYSTEMS LIMITED has adopted Dividend Distribution policy at its Board of Directors Meeting held on 24<sup>th</sup> November 2017 being the effective date of policy.

#### Objective

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

The Board of Directors (Board) may consider declaration of interim dividend depending upon the cash flow situation of the Company. The dividend distribution shall be as per the recommendations of the Board and shall always be decided at an annual general meeting of shareholders in case of final dividend. Depending on the long term growth strategy of the Company and the prevailing circumstances, the Board may consider a higher dividend payout ratio, while trying to ensure that sufficient funds are retained for growth of the Company.

### 2. POLICY

Declaration and payment of Dividend In compliance with Section 51 of the Act, the Company shall pay dividend proportionately, i.e., in proportion to the

amount paid-up on each share. Dividend for a financial year shall be paid after the annual financial statements of the Company are finalised and the amount of distributable profits is available. The declaration and payment of dividend shall be in accordance with the provisions of Sections 123 to 128 of the Act. Pursuant to the provisions of Section 123 of the Act, the Board shall recommend dividend for any financial year subject to the following:

- (a) out of the profits of the Company for that year arrived after providing for depreciation; or
- (b) out of the profits of the Company for any previous financial year(s) arrived at after providing for depreciation and remaining undistributed; or
- (c) out of both (a) and (b).

#### A. PARAMETERS AND FACTORS FOR DECLARATION OF DIVIDEND

The Board shall consider the following various circumstances like current year's profit, future outlook, reinvestment opportunities of the Company, tax benefits, Company's present and future performance for declaration and payment of dividend. The dividend payout decision of the Board depends upon the following financial parameters, internal and external factors:

##### Financial parameters and Internal Factors:

- i. Operating cash flow of the Company;
- ii. Profit earned during the year;
- iii. Profit available for distribution;
- iv. Accumulated Profits;
- v. R & D Expenditure
- vi. Free Reserves;
- vii. Earnings Per Share (EPS);
- viii. Working capital requirements;
- ix. Capital expenditure requirement;
- x. Business expansion and growth;
- xi. Likelihood of crystalization of contingent liabilities, if any;

- xii. Upgradation of technology and physical infrastructure;
- xiii. Creation of contingency fund;
- xiv. Acquisition of business;
- xv. Cost of Borrowing; and
- xvi. Past dividend payout ratio / trends.

**External Factors:**

- i. Economic environment;
- ii. Capital markets;
- iii. Global conditions;
- iv. Statutory provisions and guidelines; and
- v. Dividend payout ratio of competitors.

**B. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY EXPECT DIVIDEND**

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders of the Company and the amount of profit to be retained in business. The decision seeks to balance the dual objectives of appropriately rewarding shareholders through dividends and retaining profits in order to maintain a healthy capital adequacy ratio to support future growth. The Board of Directors of the Company will assess the Company's financial requirements, including present and future organic and inorganic growth opportunities and other relevant factors and declare Dividend in any financial year. The Dividend including Interim Dividend for any financial year shall normally be paid out of the Company profits for that year. This will be arrived at after providing for depreciation in accordance with the provisions of the Companies Act, 2013. If circumstances require, the Board may also declare dividend out of accumulated profits and free reserves of any previous financial year(s) in accordance with provisions of the Companies Act, 2013 and Regulations, as applicable.

**C. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY NOT EXPECT DIVIDEND**

The shareholders of the Company may not expect dividend in the following circumstances, subject to discretion of the Board of Directors:

- i. Proposed expansion plans requiring higher capital allocation;
- ii. Decision to undertake any acquisitions, amalgamation, merger, joint ventures, new product launches etc. which requires significant capital outflow;
- iii. Requirement of higher working capital for the purpose of business of the Company; and
- iv. In the event of loss or inadequacy of profit.

**D. UTILIZATION OF THE RETAINED EARNINGS**

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Infrastructure enhancement;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- Where the cost of debt is expensive;
- Dividend payment; and
- Such other criteria as the Board may deem fit from time to time.

**E. MANNER OF DIVIDEND PAYOUT**

In case of final dividend: i. Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company. ii. The dividend as recommended

by the Board shall be approved/declared at the Annual General Meeting of the Company. iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law. In case of interim dividend: i. Interim dividend, if any, shall be declared by the Board. ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend. iii. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws. iv. In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the Annual General Meeting.

#### **F. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES**

Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company are entitled to receive the same amount of dividend per share. The Policy shall be suitably modified at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

#### **4. NON-APPLICABILITY OF POLICY**

The Policy shall not apply to:

- Determination and declaration of dividend on preference shares, as and when issued by the Company, as the same will be as per the terms of issue approved by the shareholders;

- Issue of Bonus Shares by the Company; and
- Buyback of Securities.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided as relevant by the Board.

#### **5. POLICY REVIEW AND AMENDMENTS**

In case of any subsequent changes in the provisions of the Act or Regulations or Income Tax Act, 1961 or any other regulations which makes any of the provisions of this Policy inconsistent with the Act or such other regulations, then the provisions of the Act or such other regulations would prevail over this Policy and the relevant provisions contained in this Policy would be modified accordingly in due course to make it consistent with applicable laws. Any such amendments shall be disclosed along with the rationale for the same in the Annual Report and on the website of the Company.

#### **6. DISCLOSURES**

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at [www.apollo-micro.com](http://www.apollo-micro.com) under section "Investors". The website link is <http://apollo-micro.com/wp-content/uploads/2017/12/DIVIDNED-DECLARATION-POLICY.pdf>

#### **7. DISCLAIMER**

This document does not solicit investments in the Company's securities and further is not an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

## Annexure F

### DISCLOSURE WITH RESPECT TO APOLLO EMPLOYEES STOCK OPTIONS SCHEME – 2018 (“ESOS – 2018”) OF THE COMPANY AS AT 31ST MARCH, 2025

Sl. No	Particulars	ESOS-2018
A.	Disclosures in terms of the relevant Indian Accounting Standards, as prescribed from time to time	No disclosure for the year under review
B.	Diluted Earnings Per Share (EPS) on issue of Shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with Indian Accounting Standard 33, as prescribed from time to time	N.A
C.	(i) Description and general terms and conditions of ESOS	
	(a) Date of shareholder's approval	26 <sup>th</sup> December, 2018 Shareholders' approval was obtained through Postal Ballot Process.
	(b) Total number of options approved under ESOS	10,00,000 (Ten Lakh Only)
	(c) Vesting requirements	Options granted under ESOS – 2018 would vest not less than 1 year and may spread over a period of 4 years from the Grant Date of such Options. The Nomination and Remuneration committee is empowered to implement and decide the vesting schedule to suit the needs of the organization from time to time.
	(d) Exercise price or pricing formula	To be decided upfront at the time of Grant of Options subject to a minimum price of par value.
	(e) Maximum term of options granted	5 years from the respective date of vesting of Options
	(f) Source of shares (primary, secondary or combination)	Secondary Market Acquisition
	(g) Variation in terms of options	None
	(ii) Method used to account for ESOS - Intrinsic or fair value	Fair Value
	(iii) Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	N.A
	(iv) Option movement during the financial year ended on 31 <sup>st</sup> March, 2025	
	Number of options outstanding at the beginning of the period	Nil
	Number of options granted during the year	Nil
	Number of options forfeited / lapsed during the year	Nil
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil

Sl. No	Particulars	ESOS-2018
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil
	Loan repaid by the Trust during the year from exercise price received	NIL
	Number of options outstanding at the end of the year	Nil
	Number of options exercisable at the end of the year	Nil
	Loan repaid by the Trust during the year by sale of Equity Shares held in accordance with Regulation 3(12) of the SEBI (Share Based Employee Benefits) Regulations, 2014	Nil
(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Nil
(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -	During the Year under review no Grant of options were made
	(a) senior managerial personnel;	
	(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	
	(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	
(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	During the year under review no grant of options were made, hence no value of options determined.
	(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	N.A
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	N.A
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	N.A
	(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	N.A

**Details of the Company's Employee's Trust: Apollo Employees Foundation ("Trust")**

The details inter-alia, in connection with transactions made by the Trust meant for the purpose of administering the ESOS - 2018 are as under:

**(i) General information**

Sl. No.	Particulars	Details
1	Name of the Trust	Apollo Employees Foundation
2	Details of the Trustee(s)	1. Srisailam Aerpula, Managing Trustee 2. Shiva Shankar Rampally, Trustee
3	Amount of loan disbursed by company, during the year	Nil
4	Amount of loan outstanding (repayable to company) as at the end of the year	Rs 20,000 (Rupees Twenty Thousand only)
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

**(ii) Brief details of transactions in shares by the Trust**

Sl. No.	Particulars	Details
1	Number of shares held at the beginning of the year	Nil
2	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
3	Number of shares transferred to the employees / sold along with the purpose thereof:	Nil
4	Number of shares held at the end of the year.	Nil

**(iii) In case of secondary acquisition of shares by the Trust**

Sl. No.	Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
1	Held at the beginning of the year	Nil
2	Acquired during the year	Nil
3	Sold during the year	Nil
4	Transferred to the employees during the year	Nil
5	Held at the end of the year	Nil

For and on behalf of the Board  
**APOLLO MICRO SYSTEMS LIMITED**

Place: Hyderabad  
 Date: 28<sup>th</sup> July, 2025

Sd/-  
**Karunakar Reddy Baddam**  
 Managing Director  
 DIN: 00790139

Sd/-  
**Krishna Sai Kumar Addepalli**  
 Whole Time Director (Operations)  
 DIN: 03601692

# Annexure G

## Particulars of remuneration and other Disclosures

### A. Details pertaining to remuneration as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of managerial personnel) Rules, 2014.

The ratio of the remuneration of each Director to the Median Remuneration of the Employees (MRE) of the Company and the percentage increase in remuneration of each Director and Key Managerial Personnel (KMP), for the financial year 2024-25 are as under:

Sl. No.	Name	Designation	Increase/ (Decrease) %	Ratio of remuneration of each Director to MRE
1.	Karunakar Reddy Baddam	Managing Director	Nil	77.83
2.	Venkata Siva Prasad Chandrapati	Whole Time Director (Technical)	Nil	10.35
3.	Krishna Sai Kumar Addepalli	Whole Time Director (Operations)	Nil	10.38
4.	Raghupathy Goud Theegala	Independent Director	Nil	NA
5.	Karunasree Samudrala	Independent Director	Nil	NA
6.	Chandrasekhar Matham	Independent Director	Nil	NA
7.	Kavya Gorla	Non-Executive Director	Nil	NA
8.	Aditya Kumar Halwasiya	Non-Executive Director	Nil	NA
9.	Sudarshan Chiluveru	Chief Financial Officer	38.36	10.38
10.	Rukhya Parveen	Company Secretary & Compliance Officer	Nil	4.79

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the period under review is provided in the above table. Independent Directors were paid only sitting fees for attending meeting on Board/ Committees during the financial year under review. Hence, their ratio to MRE has been shown as Not Applicable.
- The Median Remuneration of Employees was 2.31 Lakhs per annum for the FY 2024-25. As compared to the financial year 2023-24, MRE has been increased by 14.47%
- The Number of Permanent employees on the Rolls of the company as on 31<sup>st</sup> March, 2025 were 405.
- average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average increase in remuneration of employees excluding KMPs: 27.78%  
Average increase in remuneration of KMPs: 3.15%  
KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
- The Company affirms that remuneration is as per the Remuneration Policy of the Company.

For and on behalf of the Board  
**APOLLO MICRO SYSTEMS LIMITED**

Place: Hyderabad  
Date: 28<sup>th</sup> July, 2025

Sd/-  
**Karunakar Reddy Baddam**  
Managing Director  
DIN: 00790139

Sd/-  
**Krishna Sai Kumar Addepalli**  
Whole Time Director (Operations)  
DIN: 03601692

## Annexure H

# Report on Corporate Governance

### CORPORATE GOVERNANCE PHILOSOPHY

This report is prepared in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the report contains the details of Corporate Governance systems and processes at Apollo Micro Systems Limited ("APOLLO" or "the Company").

Transparency and accountability are the two basic tenets of Corporate Governance which are integral part of our business and endeavor to ensure fairness for every stakeholder- our customers, investors, vendors and the communities wherever we operate. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. At APOLLO, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business. We always seek to ensure that our performance is driven by integrity, value and ethics. Responsible corporate conduct is integral to the way we do our business.

We, at APOLLO, ensure that we evolve and follow the corporate governance guidelines and best practices. The norms and processes of Corporate Governance reflect our commitment to disclose timely and accurate information regarding our financial and operational performance, as well as the Company's leadership and governance structure.

Our Board is responsible for shaping the long-term vision and policy approach to steadily elevate the quality of governance in our organisation. At APOLLO, we firmly believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance to bring objectivity and transparency in the Management. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

The Company believes that sustainable and long term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society and contribution in economic growth.

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 & amendment thereof ("SEBI (LODR) Regulations, 2015"), as applicable.

### BOARD OF DIRECTORS

#### a) Composition of Board

The Board of Directors of the Company is the highest governance authority within the management structure of the Company. Further, the Board of Directors of the Company is totally committed to the best practices within the Company for effective corporate governance practices. The Board regularly reviews and updates corporate governance practices to accommodate developments within the market place in general and the business in particular.

The Company has an active, experienced and a well-informed Board. The Board along with its Committees undertakes its fiduciary duties keeping in mind the interests of all its stakeholders and the Company's Corporate Governance philosophy.

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals. The Board currently comprises of Eight (Eight) Directors. The Chairman of the Company is Non-Executive Independent Director. Out of the total strength, 3 (Three) (i.e. 1/3<sup>rd</sup>) are Non-Executive Independent Directors (including one woman Independent Director). The composition of the Board of Directors of the Company is in conformity with the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013 ('the Act').

The composition and category of Directors on Board of the Company and directorships or committee memberships across other Companies are as follows:

I. Composition of Board of Directors

Sl. No.	Name of the Director and DIN	Designation	Date of appointment in the current term	Date of cessation	No of Directorship in other Public Limited Companies (Name of the Company)#	Number of Chairperson / memberships in Audit/ Stakeholder Committee(s) in other Public Limited Companies (Name of the Company) ##
1.	Karunakar Reddy Baddam (DIN: 00790139)	Managing Director	01-04-2022	-	-	-
2.	Venkata Siva Prasad Chandrapati (DIN: 03601703)	Whole-Time Director	22-08-2022	-	-	-
3.	Krishna Sai Kumar Addepalli (DIN: 03601692)	Whole-Time Director	22-08-2022	-	-	-
4.	Raghupathy Goud Theegala (DIN: 07785738)	Non-Executive - Independent Director CUM Chairman	22-08-2022	-	-	-
5.	Karunasree Samudrala (DIN: 06960974)	Non-Executive - Independent Director	29-05-2023	-	1 (Independent Director- Roopa Industries Limited)	1 (Roopa Industries Limited)
6.	Kavya Gorla (DIN 06407238)	Non-Executive - Non-Independent Director	13-10-2022	-	-	-
7.	Dr. Chandrashekar Matham (DIN: 09844975)	Non-Executive - Independent Director	21-01-2023	-	-	-
8.	Aditya Kumar Halwasiya (DIN: 08200117)	Non-Executive - Non-Independent Director	21-01-2023	-	2 (Universal Petro-Chemicals Ltd & Cupid Limited)	2 (Universal Petro-Chemicals Ltd & Cupid Limited)

# excludes directorships in associations, private limited companies, LLP, foreign companies, companies registered under Section 8 of the Act, Government Bodies and Alternate Directorships

## Represents Chairpersonships/Memberships of Audit and Stakeholders Relationship Committees in listed/debt-listed/unlisted public limited companies

None of the Directors on the Board is a Director in more than 8 listed entities. None of the Directors held directorship in more than 20 Indian companies,

with not more than 10 public limited companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairperson of more than 5

Committees across all the public companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

## b) Appointment/Re-appointment of Director(s)

During the financial year 2023-24, the Board of Directors has,

1. Re-appointed Mrs. Karunasree Samudrala as the Independent Director the Company for the Second Term of 5 years from of 29<sup>th</sup> May 2023 to 28<sup>th</sup> May 2028, approved by the members through postal ballot.

As per the provisions of the Companies Act, 2013, one-third of the Directors retires by rotation and, if eligible, seeks re-appointment at the AGM of shareholders. Ms. Kavya Gorla (DIN 06407238) will retire at the ensuing AGM and being eligible, seeks re-appointment. The Board has recommended her re-appointment.

## c) Board Meetings, Procedure & Attendance

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy

apart from other Board businesses. The Board / Committee Meetings notices is circulated to the Board and the Committee members well in advance, in accordance with the statutory provisions. Agenda papers are sent to the Directors generally one week before the meeting to facilitate meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda.

In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of Special Agenda item.

During the year under review, the Board met Nine (9) times. Details of Board meetings held along with directors attendance is provided in the table below. Further The maximum interval between any two meetings did not exceeded 120 days. The 27<sup>th</sup> (Twenty Seventh) Annual General Meeting (AGM) of the Company was held on Friday the 27<sup>th</sup> September, 2024.

Sl. No.	Name of the Director and DIN	Designation	Attendance at the Meeting held on									
			20 <sup>th</sup> May, 2024	14 <sup>th</sup> Jun, 2024	23 <sup>rd</sup> Jul, 2024	9 <sup>th</sup> Aug, 2024	25 <sup>th</sup> Oct, 2025	21 <sup>st</sup> Nov, 2024	9 <sup>th</sup> Jan, 2025	4 <sup>th</sup> Feb, 2025	21 <sup>st</sup> March, 2025	27 <sup>th</sup> AGM
1.	Karunakar Reddy Baddam (DIN: 00790139)	Managing Director	✓	⊗	✓	✓	✓	✓	✓	✓	✓	✓
2.	Venkata Siva Prasad Chandrapati (DIN: 03601703)	Executive Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Krishna Sai Kumar Addepalli (DIN: 03601692)	Executive Director	✓	⊗	✓	✓	✓	⊗	✓	✓	✓	✓
4.	Raghupathy Goud Theegala (DIN: 07785738)	Non-Executive -Independent Director CUM Chairman	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
5.	Karunasree Samudrala (DIN: 06960974)	Non-Executive - Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Mrs. Kavya Gorla (DIN 06407238)	Non-Executive - Non Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Sl. No.	Name of the Director and DIN	Designation	Attendance at the Meeting held on									
			20 <sup>th</sup> May, 2024	14 <sup>th</sup> Jun, 2024	23 <sup>rd</sup> Jul, 2024	9 <sup>th</sup> Aug, 2024	25 <sup>th</sup> Oct, 2025	21 <sup>st</sup> Nov, 2024	9 <sup>th</sup> Jan, 2025	4 <sup>th</sup> Feb, 2025	21 <sup>st</sup> March, 2025	27 <sup>th</sup> AGM
7.	Dr. Chandrashekar Matham (DIN: 09844975)	Non-Executive - Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	⊗	✓
8.	Mr. Aditya Kumar Halwasiya (DIN: 08200117)	Non-Executive - Non Independent Director	✓	✓	✓	✓	✓	✓	✓	✓	⊗	✓

In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation. The resolutions passed by the Circulation are ratified by the Board in the immediately succeeding meeting of the Board, held after the passing of resolution by circulation.

#### d) Independent Directors Meeting

During the year under review, the meeting of Independent Directors of the Company was held on 25<sup>th</sup> March, 2025 where at the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (LODR) Regulations, 2015 were discussed:

- Review of performance of the Board and Committees as a whole;
- Review of performance of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors; Non-Independent Directors (Executive & Non- Executive)
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### e) Board Independence

All the Independent Directors have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of the Act, rules made there under read with Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015. In terms of Regulation 25(8) of the SEBI (LODR) Regulations, 2015, the Independent Directors have confirmed that they are not aware of any circumstances or situations which

exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in the Act and the SEBI (LODR) Regulations, 2015 and are independent of the management. The Board has expressed its satisfaction to the performance of the Independent Directors and appreciated the level of participation of Independent Directors. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act").

#### f) Disclosure of relationships between directors inter-se;

Except Mrs. Kavya Gorla who are distant relatives of Mr. Karunakar Reddy Baddam , none of the other Directors are related.

#### g) Matrix setting out Skills/ Expertise/ Competence as Identified by the Board

The composition of the Board comprises of Directors who collectively have the skills, knowledge and experience to effectively govern and direct the organisation. The Members of the Board are eminent persons with the considerable professional expertise and experience. Detailed profile of the Directors is available on the Company's website <https://apollo-micro.com/investors/>.

The core skills/ competencies identified by the Board, as required in the context of the Company's business are Corporate governance & management, business leadership, financial expertise & Banking, marketing & business development, understanding & experience in relation to company's business and technology development& innovations.

In the table below, the areas of expertise/ competencies of individual Director's are highlighted:

Name of Director	Area of skills/ expertise					
	Corporate Governance & Management	Business Leadership	Financial Expertise/ Banking	Marketing & Business Development	Understanding & Experience in Relation to Company's Business	Technology Development & Innovations
Mr. Karunakar Reddy Baddam	✓	✓	✓	✓	✓	✓
Mr. Venkata Siva Prasad Chandrapati	✓	-	-	-	✓	✓
Mr. Krishna Sai Kumar Addepalli	✓	✓	✓	✓	✓	✓
Mr. Raghupathy Goud Theegala	✓	✓	✓	-	✓	-
Mrs. Karunasree Samudrala	✓	✓	✓	-	✓	-
Mrs. Kavya Gorla	✓	-	-	-	✓	✓
Dr. Chandrashekar Matham	✓	-	-	-	✓	✓
Mr. Aditya Kumar Halwasiya	✓	✓	✓	✓	✓	-

Note - Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

#### h) Information provided to the Board

The Board has unrestricted access to all Company related information including that of our employees. Directors have separate and independent access to the officers of the Company. The Board was presented with the information broadly on all suggested matters in terms of Regulation 17 of the SEBI (LODR) Regulations, 2015.

The Company has an effective post Board meeting follow up procedure. Action taken report on the decisions taken in a meeting is placed at the immediately succeeding meeting for information of the Board. The Board has established procedures to periodically review Compliance pertaining to all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliance, if any. The Board takes note of the quarterly/ half yearly/ yearly compliances made under the SEBI (LODR) Regulations, 2015, from time to time.

#### i) Familiarization Programme

The Company has a familiarization programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. In compliance with the requirements of the SEBI (LODR) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their roles, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of familiarization programmes arranged for the Independent Directors have been disclosed on the website of the company <https://apollo-micro.com/wp-content/uploads/2024/04/6.-FY-2023-24-Director-Familiarization-Programmes.pdf>

**j) Detailed reasons for the resignation of the Independent Director before the expiry of his tenure and confirmation**

During the year under review, none of the Independent Directors tendered their resignation from the Board of the Company.

**BOARD COMMITTEES**

The Board Committees play a crucial and vital role in ensuring sound Corporate Governance practices and have been constituted as per the requirement of the Companies Act 2013 and SEBI (LODR) Regulations, 2015. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles. The minutes of the meetings of all Committees are placed before the Board for noting. The Board Committees request special invitees to join the meeting, as and when considered appropriate.

Apart from the constitution of mandatory Committees, the Board also formed the non- mandatory committees to handle and take decisions, with respect to the routine nature business activities at appropriate times and effectively, in the ambit of their scope.

The Committees of the Board are as follows:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee
- d) Corporate Social Responsibility Committee
- e) Risk Management Committee
- f) Executive Committee of Board of Directors and CFO
- g) Securities Allotment Committee

**a) Audit Committee**

The Company has adequately qualified and independent Audit Committee. The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Audit Committee of the Company was constituted on August 26, 2017 and subsequently reconstituted from time to time to comply with statutory requirement.

The composition Audit Committee is as follows:

Sr. No.	Name & Designation	Category
1.	Karunasree Samudrala, Chairman	Non-Executive - Independent Director
2.	Raghupathy Goud Theegala, Member	Non-Executive - Independent Director
3.	Addepalli Krishna Sai Kumar, Member	Executive Director

The Company Secretary & Compliance Officer of the Company acts as the Secretary of the Committee.

The role of the audit committee shall include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - ii. changes, if any, in accounting policies and practices and reasons for the same;
  - iii. major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. significant adjustments made in the financial statements arising out of audit findings;
  - v. compliance with listing and other legal requirements relating to financial statements;
  - vi. disclosure of any related party transactions;
  - vii. modified opinion(s) in the draft audit report;

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders,

shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. To review the compliance of the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 by the Company and verifying that the systems for internal control are adequate and are operating effectively, at least once in a Financial Year."
21. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

Audit Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. During the year under review, the Audit Committee met 10 (Ten) times on 20<sup>th</sup> May, 2024, 14<sup>th</sup> June, 2024, 23<sup>rd</sup> July, 2024, 9<sup>th</sup> August, 2024, 25<sup>th</sup> October, 2024, 21<sup>st</sup> November, 2024, 18<sup>th</sup> December, 2024, 9<sup>th</sup> January, 2025, 4<sup>th</sup> February, 2025 and 21<sup>st</sup> March, 2025. The details of member's attendance at the Audit Committee Meetings during the financial year 2024-25 are as under:

Name& Designation	No of Meetings attended
Karunasree Samudrala, Chairman	10
Raghupathy Goud Theegala, Member	10
Addepalli Krishna Sai Kumar, Member	10

The meetings of Audit Committee are also attended by the Chief Financial Officer, Company Secretary & Compliance Officer, Statutory Auditors and Internal Auditor as special invitees. The Board of Directors review and take note of the minutes of the Audit Committee Meetings at its subsequent Board Meetings.

**b) NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration committee of the Company was constituted on August 26, 2017 and subsequently reconstituted from time to time to comply with statutory requirement.

The Committee comprises of three Non- Executive Directors. The composition of Nomination & Remuneration Committee is as follows:

Sr. No.	Name & Designation	Category
1.	Karunasree Samudrala, Chairman	Non-Executive - Independent Director
2.	Raghupathy Goud Theegala, Member	Non-Executive - Independent Director
3.	Kavya Gorla, Member	Non-Executive – Non Independent Director

The Company Secretary & Compliance Officer of the Company acts as the Secretary of the Committee.

The Committee meets periodically as and when required. Except executive directors, no other director draws remuneration from the Company.

The terms of reference of the Nomination & Remuneration Committee, interalia, includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees;
2. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;
6. To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Nomination and Remuneration Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

During the year under review, the Nomination and Remuneration Committee met once on 9<sup>th</sup> August, 2024.

The details of member's attendance at the Nomination & Remuneration Committee Meetings during the financial year 2024-25 are as follows:

Name & Designation	No of Meetings attended
Karunasree Samudrala, Chairman	1
Raghupathy Goud Theegala, Member	1
Kavya Gorla	1

The meetings of Nomination and Remuneration Committee are also attended by the Company Secretary & Compliance Officer.

The Board of Directors review and take note of the minutes of the Nomination & Remuneration Committee Meetings at its subsequent Board Meetings.

#### Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee have developed parameterized feedback forms as per Company's policy for evaluation of directors and key managerial personnel and other employees, for the evaluation of the Independent Directors of the Company.

#### c) STAKEHOLDERS GRIEVANCE/ RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company was constituted on August 26, 2017. The composition of the Stakeholders Relationship Committee is as follows:

Sr. No.	Name & Designation	Category
1.	Raghupathy Goud Theegala, Chairman	Non-Executive - Independent Director
2.	Karunakar Reddy Baddam, Member	Managing Director
3.	Venkata Siva Prasad Chandrapati, Member	Executive Director

The Company Secretary & Compliance Officer of the Company act as the Secretary of the Committee.

The terms of reference, powers and scope of the Stakeholders' Relationship Committee of our Company include:

1. To look into the redressal of grievances of shareholders, debenture holders and other security holders;
2. To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
3. To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
4. To carry out any other function as prescribed under the SEBI (LODR) Regulations, 2015 as and when amended from time to time.

The Stakeholders Relationship Committee's composition and terms of reference are in compliance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

During the year under review, the Stakeholders Relationship Committee met once on 25<sup>th</sup> October, 2024.

The details of member's attendance at the Stakeholders Relationship Committee Meetings during the financial year 2024-25 are as follows:

<b>Name&amp; Designation</b>	<b>No of Meetings attended</b>
Raghupathy Goud Theegala, Chairman	1
Karunakar Reddy Baddam, Member	1
Venkata Siva Prasad Chandrapati, Member	1

The meetings of Stakeholders Relationship Committee are also attended by the Company Secretary & Compliance Officer.

The Board of Directors review and take note of the minutes of the Stakeholders Relationship Committee Meetings at its subsequent Board Meetings.

- (a) Name of non-executive director heading the committee: Mr. Raghupathy Theegala- Non executive Director
- (b) Name and designation of compliance officer: Mrs. Rukhya Parveen, Company Secretary acts as the Secretary for the Committee who is designated as Compliance Officer pursuant to SEBI (LODR) Regulations, 2015.
- (c) The details of complaints received and resolved during the Financial Year ended 31<sup>st</sup> March, 2025 are given in the table below:

Complaints outstanding as on April 1, 2024	Nil
Complaints received during the year ended March 31, 2025	1
Complaints resolved during the year ended March 31, 2025	1
Complaints pending as on March 31, 2025	Nil

Further, the other requests received from the shareholders during the year under review were duly addressed.

#### **d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee of the Company was constituted on February 24, 2017 and subsequently reconstituted from time to time to comply with statutory requirement.

The composition of the Corporate Social Responsibility Committee is as follows:

<b>Sr. No.</b>	<b>Name &amp; Designation</b>	<b>Category</b>
1.	Karunakar Reddy Baddam, Chairman	Executive Director
2.	Raghupathy Goud Theegala, Member	Non-Executive- Independent Director
3.	Kavya Gorla, Member	Non-Executive - Non Independent Director

The Company Secretary & Compliance Officer of the Company act as the Secretary of the Committee.

Terms of reference of the Committee includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which

shall indicate the activities to be undertaken by the Company as specified in Schedule VII as amended from time to time;

2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) subject to the limit provided under Section 135 of the Companies Act;
3. To monitor the corporate Social Responsibility Policy of our Company from time to time;
4. To institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company;
5. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

During the year under review, the Corporate Social Responsibility Committee met 2 (Two) times on 20<sup>th</sup> May, 2024 and 18<sup>th</sup> December, 2024.

The details of member's attendance at the Corporate Social Responsibility Committee Meetings during the financial year 2024-25 are as follows:

<b>Name&amp; Designation</b>	<b>No of Meetings attended</b>
Karunakar Reddy Baddam, Chairman	2
Raghupathy Goud Theegala, Member	2
Kavya Gorla, Member	2

The meetings of Corporate Social Responsibility Committee are also attended by the Company Secretary & Compliance Officer.

The Board of Directors review and take note of the minutes of the Corporate Social Responsibility Committee Meetings at its subsequent Board Meetings.

#### e) RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company was constituted on February 24, 2017 and subsequently reconstituted from time to time to comply with statutory requirement.

The Composition of the Risk Management Committee of the Company is as follows:

<b>Sr. No.</b>	<b>Name &amp; Designation</b>	<b>Category</b>
1.	Venkata Siva Prasad Chandrapati, Chairman	Executive Director
2.	Karunakar Reddy Baddam, Member	Managing Director
3.	Karunasree Samudrala, Member	Non- Executive- Independent Director

The Company Secretary and Compliance Officer of the Company act as the secretary of the Committee.

The terms of reference and role of the Risk Management Committee of our Company include the following:

1. To recommend risk management plan to the Board for implementation;
2. To monitor and review the risk management plan;
3. To lay down procedures to inform Board members about the risk assessment and minimization procedures;
4. To develop and implement the risk management policy for the company, identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company; and
5. To perform such other functions which are appropriate and necessary to manage the risk.

During the year under review, the Risk Management Committee met twice on 23<sup>rd</sup> July, 2024 and 21<sup>st</sup> November, 2024.

The details of member's attendance at the Risk Management Committee Meetings during the financial year 2024-25 are as follows:

<b>Name&amp; Designation</b>	<b>No of Meetings attended</b>
Venkata Siva Prasad Chandrapati, Chairman	2
Karunakar Reddy Baddam, Member	2
Karunasree Samudrala, Member	2

The meeting of Risk Management Committee is also attended by the Company Secretary & Compliance Officer.

The Board of Directors review and take note of the minutes of the Risk Management Committee Meeting at its subsequent Board Meeting.

**f) Executive Committee of Directors & CFO**

The Executive Committee of Directors and CFO (“Executive Committee”) has been constituted by the Board for routine financial matters on November 01, 2018. The Committee functions within the ambit of the delegated authority by the Board. The delegation of authority to the committee is in accordance with the provisions of Section 179(3) (d) and proviso’s, explanations made there under read with the Companies (Meetings of Board and its Powers) Rules, 2014.

The Composition of the Executive Committee of the Company is as follows:

Sr. No.	Name & Designation	Category
1.	Karunakar Reddy Baddam, Chairman	Managing Director
2.	Venkata Siva Prasad Chandrapati, Member	Whole Time Director (Technical)
3.	Addepalli Krishna Sai Kumar, Member	Whole Time Director (Operations)
4.	Sudarshan Chiluveru, Member	Chief Financial Officer (CFO)

The Company Secretary and Compliance Officer of the Company act as the secretary of the Executive Committee.

The terms of reference of the Executive Committee of the Company includes the following:

**A. Powers of Executive Committee**

The Executive Committee shall have the following powers:

1. The power of Board under the provisions of Section 179(3)(d) of the Companies Act 2013 be delegated to this Committee subject to the following conditions:
  - a. The Subjected facility must be an existing facility.

- b. Only modifications in the facility can be done.
- c. Aggregate Limits of such facilities can be increased not more than the double of the existing limits in one financial year. If the limit going to be increased is more than the double of the existing then approval of Board is required.
- d. In respect of dealings between company and its bankers, the exercise by the Committee the power specified herein shall mean the arrangement made by the company with its bankers for the borrowing of money by way of overdraft or cash credit or otherwise and not the actual day-to-day operation on overdraft, cash credit or other accounts by means of which the arrangement so made is actually availed of.
- e. The decision of the Chairman of the committee is final irrespective of opposition raised by the members of the committee.
- f. To open the new bank account and close the non- operating bank accounts or the accounts opened for specific purpose of the company from time to time.(inserted w.e.f 14<sup>th</sup> August, 2019)

**B. Responsibilities of Executive Committee**

- a. To act within the scope of delegated authority.
- b. To place all such decisions, resolutions passed and discussions including the minutes of the meetings before the Board of Directors in its very next board meeting that is to be held post the Committee meeting.

During the year under review, the Executive Committee met once on 18<sup>th</sup> December, 2024

Sr. No.	Name & Designation	No of Meetings attended
1.	Karunakar Reddy Baddam, Chairman	1
2.	Venkata Siva Prasad Chandrapati, Member	1

Sr. No.	Name & Designation	No of Meetings attended
3.	Krishna Sai Kumar Addepalli, Member	1
4.	Sudarshan Chiluveru, Member	1

The meetings of the Executive Committee are also attended by the Company Secretary & Compliance Officer.

The Board of Directors review and take note of the minutes of the Executive Committee Meetings at its subsequent Board Meetings.

#### g) SECURITIES ALLOTMENT COMMITTEE

The Securities Allotment Committee of the Company was constituted on 13<sup>th</sup> October, 2022.

The Composition of the Securities Allotment Committee of the Company is as follows:

Sr. No.	Name & Designation	Category
1.	Raghupathy Goud Theegala- Chairman	Non- Executive- Independent Director
2.	Karunasree Samudrala, Member	Non- Executive- Independent Director
3.	Karunakar Reddy Baddam, Member	Managing Director
4.	Addepalli Krishna Sai Kumar, Member	Executive Director

The Company Secretary and Compliance Officer of the Company act as the secretary of the Committee.

The terms of reference and role of the Securities Allotment Committee of our Company include the following:

1. To recommend and plan regarding allotments to the Board for implementation;
2. To monitor and review the Securities Allotment plan;
3. To allot the securities or Equity shares pursuant to the Preferential Offer.

4. To lay down procedures to inform Board members; and

5. To perform such other functions which are appropriate and necessary.

During the year under review, the Securities Allotment Committee met 2 (Two) times on 3<sup>rd</sup> May, 2024 and 3<sup>rd</sup> June, 2024

The details of member's attendance at the Securities Allotment Committee Meetings during the financial year 2024-25 are as follows:

Name & Designation	No of Meetings attended
Raghupathy Goud Theegala- Chairman	2
Karunasree Samudrala, Member	2
Karunakar Reddy Baddam, Member	2
Addepalli Krishna Sai Kumar, Member	2

The meeting of Securities Allotment Committee is also attended by the Company Secretary & Compliance Officer.

The Board of Directors review and take note of the minutes of the Securities Allotment Committee Meeting at its subsequent Board Meeting.

#### SENIOR MANAGEMENT

The following persons are the senior management the company:

• Sudarshan Chiluveru	: Chief Financial Officer (CFO)
• Rukhya Parveen	: Company Secretary & Compliance officer (CS&CO)
• Commodore BP Singh VSM (Retd)	: President (Strategic Projects)
• KC Satyanarayana	: Head of Special Products Group
• Venkateswara Rao Aluri	: President Marketing
• Supriya Kondap	: Associate Vice President (Projects)

There is no change in the Senior Management since the close of previous Financial Year

## DIRECTORS REMUNERATION

### a) All pecuniary relationship or transactions of the Non-Executive Directors

Non-Executive Directors including Independent Directors do not have any pecuniary relationships or transactions with the Company except the sitting fees they are getting for attending the board/committee meeting and dividend on shares held by him/her, if any. The compensation payable to the Independent Directors is limited to sitting fees and reimbursement of actual conveyance, travelling and other expenses for attending the Board & Committee meeting(s). The independent directors were paid sitting fees of Rs. 20,000/- on per day basis for attending the meetings of the Board of Directors or Committees, during the financial year 2024-25.

### b) Criteria of making payments to Non-Executive Directors

The Non-executive Independent Directors of the Company only getting the sitting fees for attending Board/Committee meeting and the reimbursement of expenses for attending for Board and Committee meetings.

### c) Disclosure with respect to Remuneration

The Remuneration of Executive Directors is decided by the Board of Directors, subject to the approval of shareholders, based on recommendation of Nomination and Remuneration Committee.

During the year under review, there is no revision in remuneration paid to Directors of the Company.

Details of remuneration paid to Directors of the Company for the financial year ended 31<sup>st</sup> March, 2025 are as follows-

(Amounts in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager								TOTAL
		Karunakar Reddy (Managing Director)	Chandrapati Venkata Siva Prasad (Whole Time Director-Technical)	Krishna Sai Kumar Addepalli (Whole Time Director-Operations)	Raghupathy Goud Theegala (Independent Director)	Karunasree Samudrala (Independent Director)	Chandrashekar Matham (Independent Director)	Kavya Gorla (Non-Executive Director)	Aditya Kumar Halwasiya (Non-Executive Director)	
1.	Gross salary (IT Act)	₹ 180.00	₹ 23.93	₹ 24.00	0	0	0	0	0	₹ 227.93
	(a) Salary									
	(b) Value of perquisites									
	(c) Profits in lieu of salary									
2.	Stock Option	0	0	0	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0	0	0	0
4.	Commission	0	0	0	0	0	0	0	0	0
	- as % of profit									
	- others, specify...									
5.	Others, please specify-	0	0	0	0	0	0	0	0	0
	Provident Fund Contribution									

(Amounts in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager								TOTAL
		Karunakar Reddy Baddam (Managing Director)	Chandrapati Venkata Siva Prasad (Whole Time Director-Technical)	Krishna Sai Kumar Addepalli (Whole Time Director-Operations)	Raghupathy Goud Theegala (Independent Director)	Karunasree Samudrala (Independent Director)	Chandrashekar Matham (Independent Director)	Kavya Gorla (Non-Executive Director)	Aditya Kumar Halwasiya (Non-Executive Director)	
6	Sitting Fee for attending board / committee meetings	0	0	0	₹ 2.40	₹ 2.40	₹ 1.60	0	0	₹ 6.40
	<b>Total</b>	<b>₹ 180.00</b>	<b>₹ 23.93</b>	<b>₹ 24.00</b>	<b>₹ 2.40</b>	<b>₹ 2.40</b>	<b>₹ 1.60</b>	<b>0</b>	<b>0</b>	<b>₹ 234.33</b>

The Company has entered service agreement with executive directors and there are no severance fees involved for any of its directors of the Company. The Company also has issued appointment letter to Non-Executive independent director as prescribed by the companies Act and applicable regulations. The Company has not granted any stock option to any of its directors during the year under review.

#### CODE OF CONDUCT

In compliance with Regulation 17 of the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013, the Company has formulated and adopted a Code of Conduct for its Board of Directors and senior management personnel and has put the same on

the company's website <https://apollo-micro.com/investors/> under the section "Investors". The Code has been circulated to all members of the Board and Senior Management and they have affirmed the compliance of the same. A declaration signed by the Managing Director of the Company regarding affirmation of the compliance with the code of conduct by Board Members and Senior Management for the financial year ended 31<sup>st</sup> March, 2025, is annexed herein below. Senior Management of the Company have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

#### Declaration as to adherence to the Code of Conduct

All the directors and senior management of the Company have affirmed compliance with the Company's code of conduct for the financial year ended 31<sup>st</sup> March, 2025.

Date: 28<sup>th</sup> July, 2025  
Place: Hyderabad

Sd/-  
**Karunakar Reddy Baddam**  
Managing Director

## GENERAL BODY MEETINGS

### a) General Meetings

The date, time and location of the Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) held during the preceding 3 years and special resolutions passed thereat are as follows:

Date	Category	Type	Venue	Time	No of Special Resolution
12 <sup>th</sup> November, 2022	Members	EGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	12:30 P.M. (IST)	1
16 <sup>th</sup> August, 2024	Members	EGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	11:30 A.M. (IST)	5
04 <sup>th</sup> February, 2025	Members	EGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	11:30 A.M. (IST)	2
27 <sup>th</sup> September, 2024	Members	AGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	10:00 A.M.	-
29 <sup>th</sup> September, 2023	Members	AGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	03:00 P.M. (IST)	1
20 <sup>th</sup> September 2022	Members	AGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	12:30 P.M. (IST)	-

### b) Whether any special resolutions passed in the previous three annual general meetings

2023-24	Nil
2022-23	a) To consider the approval for increase in remuneration limits of Mr. Karunakar Reddy Baddam in terms of SEBI (LODR) Regulations 2015 and Companies Act, 2013 and Rules made thereunder.
2021-22	Nil

### c) Resolutions passed last year in Extraordinary General Meeting

EGM Date	Type of Resolution	Particulars
12 <sup>th</sup> November, 2022	Ordinary	To increase of authorised share capital of the Company
12 <sup>th</sup> November, 2022	Special	Issue of upto 6,74,70,203 (Six Crores Seventy-Four Lakhs Seventy Thousand Two Hundred and Three) warrants each convertible into, or exchangeable for, one equity share of the Company within the period of 18 (eighteen months) in accordance with the applicable law ("Warrants") to the Promoter of the Company and certain identified non-promoter persons / entities
12 <sup>th</sup> November, 2022	Ordinary	Regularization of Additional Director, Mrs. Kavya Gorla (DIN: 06407238) as Non-Executive and Non-Independent Director of the Company
16 <sup>th</sup> August, 2024	Special	Issue of Convertible Equity Warrants on preferential basis to Promoter Group and to certain identified non-promoter persons/entities
16 <sup>th</sup> August, 2024	Special	Authorization to borrow monies exceeding the Paid-Up Share Capital, Free Reserves and Securities Premium of the Company under Section 180(1)(c) of the Companies Act, 2013

EGM Date	Type of Resolution	Particulars
16 <sup>th</sup> August, 2024	Special	Authorization to create security under Section 180(1)(a) of the Companies Act, 2013
16 <sup>th</sup> August, 2024	Special	Authorization to give Loans and Guarantees to any bodies corporate(s) other persons and make investments in any body corporate under Section 186 of the Companies Act, 2013
16 <sup>th</sup> August, 2024	Special	Approval for giving Loan or Guarantee or providing Security in connection with loan availed by any of the Company's entities or any other Person specified under Section 185 of the Companies Act, 2013
04 <sup>th</sup> February, 2025	Ordinary	Increase of Authorised Share Capital of the Company
04 <sup>th</sup> February, 2025	Special	Issue of Equity Shares on preferential basis to certain identified Non-Promoter Persons/Entities
04 <sup>th</sup> February, 2025	Special	Issue of Convertible Equity Warrants on preferential basis to Promoter Group and to certain identified Non-Promoter Persons/Entities

**d) Whether any special resolutions passed last year through postal ballot – details of voting pattern**

During the year under review, no postal ballots have been conducted.

**MEANS OF COMMUNICATION**

In accordance with Regulation 46 of the SEBI (LODR) Regulations, 2015, the Company has maintained a functional website at <https://apollo-micro.com/investors/> containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of conference calls/presentations to institutional investors or analysts etc. The contents of the said website are updated within 2 working days from the date of such change.

The quarterly and annual results are generally published in Business Standard (English edition) & Nava Telangana (In Telugu).

Further, the Company disseminates to the Stock Exchange (i.e. BSE Ltd (BSE) and National Stock Exchange of India Limited (NSE)), wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and for the information of the public at large.

**GENERAL SHAREHOLDER INFORMATION**

**a) AGM: Day, Date, time and venue**

16<sup>th</sup> September, 2025

Time: 11:30 A.M.

Venue: Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

**b) Financial Year**

1 April 2024 to 31 March 2025

**c) Record Date**

09<sup>th</sup> September, 2025

**d) Dividend payment date**

The dividend, if declared, shall be paid/credited to the respective bank account of shareholders /

dividend demand draft shall be dispatched within a period 30 days from the date of declaration i.e. on or before 15<sup>th</sup> October, 2025

**e) Listing of shares on Stock Exchanges**

The Company's equity shares are Listed at:

1. BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street

Mumbai-400001

Stock Code: 540879

2. National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,

Bandra Kurla Complex,

Bandra (E)

Mumbai – 400 051

Symbol: APOLLO

Series: EQ

**f) Registered Office**

The Company is registered in the state of Telangana, India

The Registered office of the Company is situated at # Plot No 128/A, Road No. 12, BEL Road IDA Mallapur, Uppal Mandal Hyderabad, Rangareddy Telangana 500 076, India

**g) Corporate Identification Number**

The Corporate Identity Number allotted by the Ministry of Corporate Affairs (MCA) is L72200TG1997PLC026556

**h) Listing Fees**

The Listing fee for the year 2024-25 has been paid to the above stock exchanges.

**i) Registrar & Share Transfer Agents of the Company for both physical and electronic mode of share transfers.**

Bigshare Services Private Limited

(Unit: Apollo Micro Systems Limited)

306, Right Wing, 3<sup>rd</sup> Floor,

Amrutha Ville, Opp: Yashoda Hospital,

Rajbhavan Road, Hyderabad – 500 082

Telangana, India.

Tel : 040 4014 4582,

Email: bsshyd@bigshareonline.com

Website: www.bigshareonline.com

SEBI Registration No.: INR000001385

**j) Outstanding Global Depository Receipts / American Depository Receipts / Warrants or any convertible instruments, conversion date and likely impact on equity.**

The Company has not issued any Global Depository Receipts / American Depository Receipts/Warrants or any convertible instruments during the year under review.

There were no outstanding GDRs/ADRs/ as on 31 March, 2025.

During the year under review, the company had issued 2,45,00,700 Convertible Equity Warrants on preferential basis, as approved by

the members at the Extra – Ordinary General Meeting held on 16<sup>th</sup> August, 2024. However, due to withdrawal of consent to subscribe to Convertible Equity Warrants from key proposed allottees, the Board approved the withdrawal of the Preferential Issue of 2,45,00,700 Convertible Equity Warrants.

During the year under review, the Company issued 3,86,67,059 Convertible Equity Warrants on a preferential basis, pursuant to the approval of the members at the Extra-Ordinary General Meeting held on 04<sup>th</sup> February, 2025. The Company had applied for in-principle approval from the stock exchanges under Regulation 28 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the approval was awaited as on 31<sup>st</sup> March, 2025.

**k) Share Transfer System**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transfer of securities of listed companies is permitted only in dematerialized form with effect from April 01, 2019, except in cases of transmission or transposition. As on 31<sup>st</sup> March, 2025, the entire shareholding of the Company was held in dematerialized form, and there were no shareholders holding shares in physical form. Transfers of equity shares in dematerialized form are carried out through the depositories without any involvement of the Company.

In case of other matters relating to Shares, Stakeholder's Relationship Committee meet as and when required to consider and attend Investors grievances and request for transmission of shares, split, consolidation, issue of duplicate share certificate, dematerialization and re-materialization of shares, etc.

During the year under review, the Company did not receive any request for transfer of shares in physical form, as the entire shareholding was maintained in dematerialised form.

**l) Stock Code**

The stock code of the Company at BSE Ltd. 540879

ISIN allotted by National Securities Depository Limited and Central Depository Services (India) Limited for Equity Shares INE713T01010

The aforesaid ISIN changed to INE713T01028 post stock split w.e.f 4<sup>th</sup> May 2023

The Company's shares are covered under the compulsory dematerialization list and are transferable through the depository system.

#### m) Dematerialization of Shares

During the year under review, the Company received a request for dematerialisation of shares from one shareholder holding shares in physical form through their Depository Participant (DP). Upon receipt of the necessary documents and completion of verification, the shares were dematerialised. Consequently, as on 31<sup>st</sup> March, 2025, the entire shareholding of the Company is held in dematerialised form. The ISIN (International Securities Identification Number) for the Company's equity shares is **INE713T01028**.

The Company's shares are regularly traded on the 'BSE Limited' and 'National Stock Exchange of India Limited'.

As on 31<sup>st</sup> March, 2025, 100.00% of the holdings are held in dematerialized form.

#### n) Stock Performance

**Market price data:** The monthly high and low stock performance at the Stock Exchanges BSE and NSE during the year 2024-25 is as follows:

Months	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
Apr-24	117.30	96.26	117.45	96.65
May-24	118.65	98.00	118.50	97.50
Jun-24	117.85	98.40	118.24	98.25
Jul-24	128.40	102.80	128.38	103.40
Aug-24	121.45	104.30	121.48	104.30
Sep-24	112.90	100.20	113.00	100.21
Oct-24	107.00	88.10	106.99	87.99
Nov-24	105.20	90.40	105.10	90.25
Dec-24	117.50	92.50	117.50	92.55
Jan-25	157.00	112.85	157	112.30
Feb-25	143.00	103.80	143.25	103.77
Mar-25	129.75	106.00	129.80	106.13

[Source: This information is compiled from the historical data available on the websites of BSE and NSE]

#### o) Shareholding as on 31<sup>st</sup> March, 2025

#### a) Distribution of shareholding as on 31<sup>st</sup> March, 2025

No of shares	No of share holders	% of total	Share amount (in "Rs")	% of total	
1	5000	282250	98.9677	73042934	23.8321
5001	10000	1705	0.5978	12876528	4.2013
10001	20000	682	0.2391	9720073	3.1714
20001	30000	204	0.0715	5077275	1.6566
30001	40000	95	0.0333	3336135	1.0885
40001	50000	73	0.0257	3379726	1.1027
50001	100000	114	0.0400	8212463	2.6795
100001	999999999	71	0.0249	190844426	62.2678
<b>Total</b>	<b>285194</b>	<b>100.00</b>	<b>306489560</b>	<b>100</b>	

#### b) Category wise shareholding pattern as on 31<sup>st</sup> March, 2025

Category	Total No. of Shares	% of holding
Promoter & Promoter Group	16,89,23,000	55.12
Foreign Portfolio Investors	28,60,929	0.93
Alternate Investment Fund	4,50,000	0.15
Clearing Member	4,57,816	0.15
Directors and their relatives	29,60,610	0.97
Key Managerial Personnel	500	0.00
Corporate Bodies	47,25,057	1.54
Mutual Fund	6,70,279	0.22
Non Resident Indian (NRI)	68,27,189	2.23
Employees	32,357	0.01
Trusts	5,193	0.00
Public	11,85,76,630	38.68
<b>Total</b>	<b>30,64,89,560</b>	<b>100.00</b>

**p) Foreign currency risk and hedging activities**

The Company is exposed to foreign currency risk due to imports of components and circuits and export of mother boards. The Company had not indulged in currency hedging activities during the year under review

**q) Commodity price risk and commodity hedging activities**

The Company is exposed to commodity price risk as per nature of its business. The Company had not indulged into commodity hedging activities during the year under review.

**r) Plant Locations**

Apollo Micro Systems Limited

#Plot No 128/A, Road No. 12, Bel Road IDA Mallapur, Uppal Mandal, Hyderabad – 500 076 Telangana, India

**s) Credit Rating**

**a) Domestic Rating:**

During the year under review, your Company has obtained the Credit Rating from Acuite Rating & Research Limited (“credit rating agency”) to its ₹ 393.50 Crores Line of Credit (short term 85.00 Crores & long term 308.50 Crores) of the Company which is as follows:

Long-Term Rating	ACUITE BBB (pronounced ACUITE triple B)
Short-Term Rating	ACUITE A3+ (pronounced ACUITE A three Plus )

The outlook on the long-term rating has been assigned as “Stable” by the credit rating agency.

**b) International Rating: Nil**

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 your Company has intimated to the stock exchanges where the share are listed.

**t) Address for Correspondence**

**Registered Office of the Company:**

The Company Secretary & Compliance Officer  
 APOLLO MICRO SYSTEMS LIMITED  
 Plot No 128/A, Road No. 12, BEL Road

IDA Mallapur, Uppal Mandal, Rangareddy

Hyderabad – 500 076, Telangana, India

Tel No.: +91 – 44 – 27167000

Fax No.: +91 – 44 – 21750820

Email: [cs@apollo-micro.com](mailto:cs@apollo-micro.com)

Website: <https://apollo-micro.com/investors/>

**Registrar and Transfer Agents:**

Bigshare Services Private Limited

(Unit: Apollo Micro Systems Limited)

306, Right Wing, 3<sup>rd</sup> Floor,

Amrutha Ville,Opp: Yashoda Hospital,

Rajbhavan Road,Hyderabad – 500 082

Telangana, India.

Tel : 040 4014 4582,

Email: [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com)

Website: [www.bigshareonline.com](http://www.bigshareonline.com)

**For securities held in Demat form**

The investors may write to their concerned Depository Participant(s) or the Registrar and Transfer Agents of the Company.

**OTHER DISCLOSURES**

**a) Related party transactions**

There were no materially significant Related Party Transactions and pecuniary transactions that may have potential conflict with the interest of the Company at large. The Audit Committee of the Company reviews the Related Party Transactions (“RPT”) periodically. All transactions entered into with related parties as defined under the Companies Act, 2013 and the SEBI (LODR) Regulations 2015 during the financial year were in ordinary course of business and on arm’s length basis.

None of the transactions with any of the related parties was in conflict with the Company’s interest. Attention of members is drawn to the disclosure of transactions with related parties set out in Notes of Financial Statements, forming part of the Annual Report. Company has formulated a “Related Party Transaction Policy” to ensure the proper approval and reporting of transactions between the Company and its Related Parties. This Policy as considered and approved by the Board has been uploaded on the website of the Company at [www.apollo-micro.com](http://www.apollo-micro.com). The Audit

Committee/ Board review's and amend this policy from time to time. The policy is uploaded on the website of the Company at [http://apollo-micro.com/wp-content/uploads/2017/09/policy\\_on\\_related\\_party\\_transactions.pdf](http://apollo-micro.com/wp-content/uploads/2017/09/policy_on_related_party_transactions.pdf).

The Company has not entered into any transaction with any person or entity belonging to the Promoter/Promoter Group which hold(s) 10% or more shareholding in the Company.

The Company has complied with the requirements of the Stock exchanges (NSE & BSE), SEBI and

other statutory authorities on all matters relating to capital markets during the year under review. A report on the compliances on the applicable laws for the Company is placed before the Board on a quarterly basis for its review and consideration. There has been no instance of non-compliance with any legal requirements, nor have there been any penalties or strictures imposed by any stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years except as mentioned below

**b) Details of Non-Compliance:**

<b>Sr. No.</b>	<b>Compliance Requirement (Regulations/ circulars / guidelines including specific clause)</b>	<b>Deviations</b>	<b>Penalty Imposed</b>
1.	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with Point 4 of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/94 dated 19/08/2019	1 (One) day delay in submitting the trading application for 2,29,99,990 equity shares issued under the preferential issue, which was required to be submitted within 7 working days from the date of grant of Listing approval by the Exchange	Rs. 23,600 by BSE
2.	Regulation 23(9) of the SEBI (LODR), 2015	8 days late submission of Disclosure of Related Party Transactions for quarter ended March, 2022.	Rs. 47,200 by NSE
3.	Regulation 17(1)(b) of the SEBI (LODR), 2015	Improper Board Composition during the period from 13 <sup>th</sup> October 2022 to 4 <sup>th</sup> November 2022	Rs. 1,35,700 by BSE and Rs. 1,35,700 by NSE

**c) Whistle Blower Policy and Vigil Mechanism**

The Company is committed to adopt the best Corporate Governance Practices and to follow the highest possible moral, legal and ethical standards in the conduct of its business. In line with this commitment, Whistle blower Policy was designed to provide a mechanism for employees / Board Members and others to raise good faith concerns about unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct and to protect the individuals who take such actions from retaliation or any threat of retaliation.

The Whistleblower Policy and Vigil Mechanism ensure that strict confidentiality is maintained in such cases and no unfair treatment is meted out to a Whistleblower. The Company, as a Policy, condemns any kind of discrimination, harassment, victimisation or any other unfair employment practice being adopted against Whistleblowers. The Company affirms that no personnel have

been denied access to the audit committee. The Whistle Blower Policy is uploaded on the website of the Company at <https://apollo-micro.com/wp-content/uploads/2024/07/9.-Whistle-Blower-Policy.pdf>

**d) Details of compliance with mandatory requirements and adoption of the discretionary requirements**

The Company has fully complied with the mandatory requirements of the Code of Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulations, 2015. In addition, the Company has also adopted the following non mandatory requirements to the extent mentioned below:

- Separate posts of Chairman and Managing Director: The Company has maintained separate posts for Chairperson and Managing Director of the Company.

- Reporting of Internal Auditor: The Internal Auditor of the Company directly reports to the Audit Committee on functional matters.
- The Company has voluntarily constituted the Risk Management Committee of the Company and adopted the Risk Management Policy which is uploaded on the website of the Company [https://apollo-micro.com/investors/ under the section "Investors"](https://apollo-micro.com/investors/under_the_section_\).

**e) Subsidiaries**

The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies.

The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material subsidiary company.

**f) Accounting treatment in preparation of financial statements**

In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

- g) The Company has adopted Material Events Policy which is uploaded on the website of the Company at [https://apollo-micro.com/wp-content/uploads/2024/02/Materiality\\_Policy.pdf](https://apollo-micro.com/wp-content/uploads/2024/02/Materiality_Policy.pdf)
- h) Details of the familiarisation programmes imparted to the Independent Directors are available on the website of the Company <https://apollo-micro.com/investors/> under the sections "Investors".
- i) The Company has put in place succession plan for appointment to the Board and to senior management.
- j) The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).
- k) Certificate for transfer of Shares and Reconciliation of Share Capital**  
Pursuant to Regulation 40(9) of the SEBI (LODR) Regulations, 2015, certificates on yearly basis,

has been issued by the Company Secretary-in-Practice with respect to due compliance of share transfer formalities by the Company.

Pursuant to SEBI (Depositories and Participants) Regulations, 2018, certificates have also been received from a Company Secretary-in-Practice reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid-up capital of the Company and submitted the same to the BSE and NSE where the securities of the Company are listed within 30 days of the end of each quarter.

**l) Risk management**

The Company has established a risk management framework where in a Committee comprising of the senior executives of the Company has been established which periodically identify potential risks to the strategy of the Company and take effective measures to mitigate the same in the best possible manner. The Board is also periodically updated on the key risks, steps and processes initiated for reducing and, if feasible, eliminating various risks.

**m) CEO/CFO certification**

The Chief Financial Officer (CFO) has furnished a Certificate to the Board for the year ended on 31<sup>st</sup> March, 2025 in compliance with Regulation 17(8) of SEBI Listing Regulations, which is annexed to Annual Report.

- n) The Company has complied with the requirements of Schedule V of Corporate Governance Report sub-para (2) to (10) of the Securities Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015,**

**o) Corporate Governance Compliance Certificate**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations. It has obtained a Corporate Governance Certificate affirming the compliances from Sridevi Madati, Partner of MNM & Associates, Practising Company Secretaries and the same is annexed to Annual Report.

The Disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 are as follows:

Sr. No.	Particulars	Regulation	Compliance Status
			Yes/No/NA
1.	Board of Directors	17	Yes
2.	Audit Committee	18	Yes
3.	Nomination and Remuneration Committee	19	Yes
4.	Stakeholders Relationship Committee	20	Yes
5.	Risk Management Committee	21	Yes
6.	Vigil Mechanism	22	Yes
7.	Related Party Transaction	23	Yes
8.	Subsidiaries of the Company	24 and 24A	Yes
9.	Obligations with respect to Independent Directors	25	Yes
10.	Obligations with respect to employees including Senior Management, Key Managerial Personnel, Directors and Promoters	26	Yes
11.	Other Corporate Governance requirements	27	Yes
12.	Website	46(2)(b) to (i)	Yes

**p) Certificate on Non-disqualification of Directors**

The Company has received a certificate from Sridevi Madati, Partner of MNM & Associates, Practicing Company Secretaries, confirming that none of the Directors of the Company is debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such authority from being appointed

or continuing as Director of the Company. The Certificate is uploaded on the website of the Company in "Investor" section.

**q) Recommendations of the Committees of the Board**

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors.

**r) Total fees paid to Statutory Auditors**

The details of total fees for all services paid by the Company to the Statutory Auditors of the Company, is given below:

Particulars	Amount in Rs.
Statutory audit fee	10,00,000
Tax audit fee	3,00,000
Certification fee	65,000
<b>Total</b>	<b>13,65,000</b>

**s) Code of Conduct for Prevention of Insider Trading**

The Company has adopted the CODE OF INTERNAL PROCEDURES AND CONDUCT TO REGULATE, MONITOR AND REPORT OF TRADING BY INSIDERS under the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines for procedures to be followed and disclosures to be made while trading in securities of the Company.

This Code has been revised in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020. The code is also available on the website of the company <https://apollo-micro.com/investors/> under the Section "Investors" and the web link is <https://apollo-micro.com/wp-content/uploads/2021/08/CODE-OF-INTERNAL-PROCEDURES-AND-CONDUCT-TO-REGULATE-MONITOR-AND-REPORT-OF-TRADING-BY-INSIDERSrevised.pdf>

Mrs. Rukhya Parveen, Company Secretary, has been appointed as the 'Compliance Officer' for ensuring the compliance with and for the effective implementation of the Regulations and the Code across the Company.

**t) Equity shares in the suspense account**

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	No. of Shareholder	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2025	1	50
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31 <sup>st</sup> March, 2025	1	50

The voting rights on the shares outstanding in the suspense account as on 31<sup>st</sup> March, 2025 shall remain frozen till the rightful owner of such shares claims the shares.

**u) Details of utilization of funds raised through preferential allotment or qualified institutions**
**placement as specified under Regulation 32 (7A).**

During the financial year, the company raised ₹33,66,23,265 (Rupees Thirty-Three Crores Sixty-Six Lakhs Twenty-Three Thousand Two Hundred and Sixty Five only) upon receiving 75% (₹139.50) of the issue price for 24,13,070 Share Warrants, which were exercised and subsequently converted into equity shares. These Share Warrants were initially issued at ₹ 186/- (Rupees One Hundred and Eighty-Six only) per warrant and allotted on 5<sup>th</sup> December, 2022.

Out of the total 98,85,070 warrants issued, 24,13,070 warrants were converted into equity shares during the year upon payment of the 75% issue price, which served as the exercise price. As of 31<sup>st</sup> March 2025, the total 98,85,070 warrants, were converted into equity shares of Re. 1/- each.

The proceeds of the preferential issue have been utilized towards capital expenditures, working capital requirements, investment in technology and for general corporate purpose which shall enhance the business of the Company as per the object of the preferential issue.

**v) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has zero tolerance towards sexual harassment at the workplace. The Company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, & Redressal) Act, 2013 and rules made there under. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, trainees, temporary) are covered under this policy. During the year under review, there were no complaints pertaining to sexual harassment.

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as at end of the financial year
Nil	Nil	Nil

The Workplace Sexual Harassment Policy of the Company is uploaded on the Company

website at <http://apollo-micro.com/wp-content/uploads/2019/09/REVISED-Workplace-Sexual-Harassment-Policy-apollo-micro-systems-limited.pdf>

**w) Disclosure of certain types of Agreements Binding Listed Entities**

M/s. Apollo Defence Industries Private Limited, Subsidiary of the Company, has approved the issuance of 5,000 Unlisted, Secured, Redeemable, Non-Convertible Debentures on a preferential basis by way of private placement, having a face value of ₹1,00,000 each,

aggregating to ₹50 crores. These debentures were issued on a private placement basis to institutional investors/financial institutions for a tenure of three years, with the proceeds intended for expanding business operations through the acquisition of entities.

To support the fund-raising of its subsidiary, the Board of Directors of Apollo Micro Systems Limited has approved extending a Corporate Guarantee of ₹50 crores in favour of the Debenture Holders and accordingly the company entered into Deed of Corporate Guarantee.

# Annexure-I

## Certificate on Corporate Governance

To

The Members

**APOLLO MICRO SYSTEMS LIMITED**

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

We have examined the compliance of conditions of Corporate Governance by Apollo Micro Systems Limited ('the Company') for the year ended 31 March 2025 as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('The Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For **MNM & Associates**

Company Secretaries

Firm Registration No. P2017TL059600

**Sridevi Madati**

Partner

M.No.F6476

COP 11694

UDIN: F006476G000871670

Date: 28<sup>th</sup> July, 2025

Place: Hyderabad

# ANNEXURE-J

## CFO CERTIFICATION

I the undersigned, in my capacity as Chief Financial Officer of Apollo Micro Systems Limited ("the Company") to the best of my knowledge and belief certify that:

- A. I have reviewed financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2025 and that to the best of my knowledge and belief, I state that:
- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. I further state that to the best of my knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. I am responsible for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. I have indicated to the auditors and the Audit committee:
- i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **Apollo Micro Systems Limited**

Sd/-

**Sudarshan Chiluveru**

Chief Financial Officer

Date: 28<sup>th</sup> July, 2025

Place: Hyderabad

# ANNEXURE- K

## Business Responsibility & Sustainability Reporting

Business Responsibility & Sustainability Reporting for the Financial year ended March 31, 2025

**As per Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity :	L72200TG1997PLC026556
2. Name of the Listed Entity :	Apollo Micro Systems Limited
3. Year of Incorporation :	1997
4. Registered office address :	Plot No 128/A, Road No 12, BEL Road, IDA Mallapur, Uppal Mandal, Hyderabad, Telangana, 500076
5. Corporate address :	Plot No 128/A, Road No 12, BEL Road, IDA Mallapur, Uppal Mandal, Hyderabad, Telangana, 500076
6. E-mail :	<a href="mailto:cs@apollo-micro.com">cs@apollo-micro.com</a>
7. Telephone :	040-27167000
8. Website :	<a href="http://www.apollo-micro.com">www.apollo-micro.com</a>
9. Financial Year (FY) for which reporting is being done :	2024-25
10. Name of the Stock Exchange(s) where shares are listed:	BSE Limited National Stock Exchange of India Limited
11. Paid-up Capital :	Rs.30,64,89,560
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report :	Rukhya Parveen Company Secretary & Compliance Officer Phone: 040 – 27167000 Email: <a href="mailto:cs@apollo-micro.com">cs@apollo-micro.com</a>
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	BRSR disclosures are made on standalone basis
14. Name of assurance provider :	Not Applicable
15. Type of assurance obtained :	Not Applicable

## II. Products/ Services

### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacture of Electronic components	Computer, electronic, Communication and scientific measuring & control equipment	100%

### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code*	% of total Turnover contributed
1.	Manufacture of electronic components	2610	100%

\* As per National Industrial Classification, 2008 – Ministry of Statistics and Programme Implementation.

## III. Operations

### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	0	1	1
International	-	-	-

### 19. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	21
International (No. of Countries)	0

#### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

#### c. A brief on types of customers

The Company majorly serves government organizations such as the Defence Research and Development Organization (DRDO), Defence Public Sector Undertakings (DPSUs), Shipyards, and ordinance factories. Additionally, our client base includes Private Tata, L&T, Bharat Forge, Solar Industries, as well as numerous other private firms.

## IV. Employees

### 20. Details as at the end of Financial Year:2024-25

#### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>						
1.	Permanent (D)	405	332	81.97%	73	18.02%
2.	Other than Permanent (E)	-	-	-	-	-
<b>3.</b>	<b>Total employees (D + E)</b>	<b>405</b>	<b>332</b>	<b>81.97%</b>	<b>73</b>	<b>18.02%</b>

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Workers</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than Permanent (G)	-	-	-	-	-
<b>6.</b>	<b>Total workers (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**b. Differently abled Employees and worker:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	2	2	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
<b>3.</b>	<b>Total differently abled employees (D + E)</b>	<b>2</b>	<b>2</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>Workers</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
<b>6.</b>	<b>Total differently abled workers (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**21. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25%
Key Management Personnel	2	1	50%

**22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years):**

	FY 2024-25 (Turnover rate in current FY)			FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.17	1.83	11.00	4.65	3.25	7.90	1.55	5.83	7.38
Permanent Workers	-	-	-	-	-	-	-	-	-

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**23. (a) Names of Holding / Subsidiary / Associate Companies / Joint Ventures**

Sl. No.	Name of the Holding / Subsidiary / Associate Companies / Joint Ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Ananya SIP RF Technologies Private Limited	Subsidiary	51.01%	No
2.	Apollo Defence Industries Private Limited	Subsidiary	76.00%	No
3.	Apollo Strategic Technologies Private Limited	Step down Subsidiary	38.76%	No

## VI. CSR Details

### 24. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(i) Turnover (in Rs.): 56,206.92 Lakhs

(ii) Net worth (in Rs.): 60,861.89 Lakhs

Transparency and Disclosures Compliances

### 25. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://apollo-micro.com/investors/">https://apollo-micro.com/investors/</a>	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Yes <a href="https://scores.sebi.gov.in/scores-home">https://scores.sebi.gov.in/scores-home</a>	Nil	Nil	NA	Nil	Nil	NA

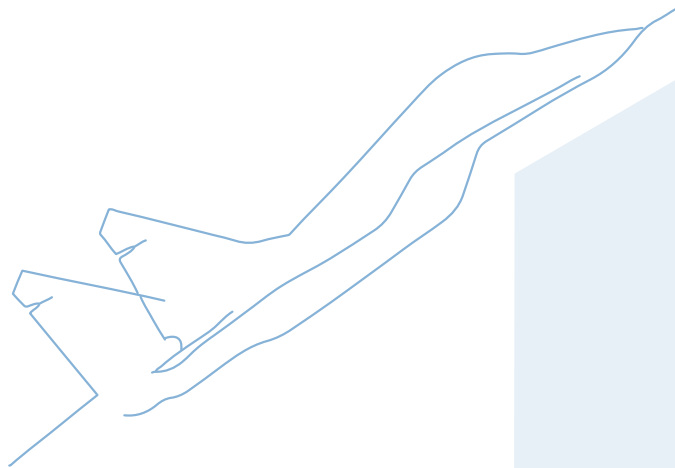
Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25 Current Financial Year			FY 2023-24 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes <a href="https://scores.sebi.gov.in/scores-home">https://scores.sebi.gov.in/scores-home</a>	01	Nil	NA	Nil	Nil	NA
Employees and workers	Yes <a href="https://scores.sebi.gov.in/scores-home">https://scores.sebi.gov.in/scores-home</a>	Nil	Nil	NA	Nil	Nil	NA
Customers	Yes <a href="https://apollo-micro.com/feedback-form/">https://apollo-micro.com/feedback-form/</a>	Nil	Nil	NA	Nil	Nil	NA
Value Chain Partners	Yes <a href="https://apollo-micro.com/feedback-form/">https://apollo-micro.com/feedback-form/</a>	Nil	Nil	NA	Nil	Nil	NA
Other (please specify)	No	Nil	Nil	NA	Nil	Nil	NA

## 26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk/ Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the Risk or Opportunity (Indicate positive or negative implications)
1	Employee Retention	Risk	Our need for highly skilled and technical employees makes recruitment and retention challenging. The competitive market for such talent increases the risk of turnover. To address this, we continuously upgrade employee skills and strive to retain our workforce through targeted development programs.	We offer competitive compensation packages, and foster a supportive work environment that values career growth and employee engagement.	Negative
2	Design & Development	Opportunity	In the aerospace and defence industry, innovation in design and development is crucial for maintaining a competitive edge. Our company's commitment to cutting-edge R&D presents a significant opportunity to lead the market with advanced technologies and solutions. By leveraging our expertise in design and development, we can create state-of-the-art products that meet evolving defence and aerospace needs.	-	Positive
3	Sustainable Supply Chain	Opportunity	Adopting a sustainable supply chain offers significant opportunities to enhance operational efficiency and meet evolving regulatory and environmental standards. By focusing on sustainability, we can reduce costs, minimize environmental impact, and improve our reputation as a responsible company. This approach supports long-term business resilience and aligns with global trends toward sustainable practices, providing a competitive advantage.	-	Positive

S. No.	Material issue identified	Indicate whether Risk or Opportunity (R/O)	Rationale for identifying the Risk/ Opportunity	In case of Risk, approach to adapt or mitigate	Financial implications of the Risk or Opportunity (Indicate positive or negative implications)
4	Data Privacy and Cyber Security	Risk	Handling sensitive data related to RF/microwave technologies, digital electronics, and associated software poses significant data privacy and cyber security risks. Breaches could compromise classified information, impact national security, and lead to substantial financial and reputational damage. Despite robust security measures, the evolving cyber threat landscape requires ongoing vigilance and adaptation to safeguard our systems and data.	We enhance data privacy and cyber security by deploying advanced security measures, conducting regular assessments, and updating protocols to counter emerging threats. Ongoing staff training and adherence to industry standards further safeguard our systems and data.	Negative



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct (NGRBC) Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Wherever mandated by the applicable laws, rules and regulations, the policies have been uploaded in the website of the Company at <a href="https://apollo-micro.com/">https://apollo-micro.com/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4. Name of the national and international codes/certifications/ labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The company has ISO 45001:2018; ISO 14001: 2015, AS 9100D and DRDO Registration certificate.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Our company recognizes the need for benchmarks to track our progress with NGRBC Principles. In our first year of ESG implementation, we aim to define our goals and aspirations for the next reporting cycle. We are committed to aligning our ESG initiatives with our business objectives and developing a strong, effective strategy to ensure sustainability and benefit all stakeholders.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Company reviews its goals and targets periodically.								

### Governance, leadership and oversight

7. Statement by Director responsible for the Business Responsibility Report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure):

In preparing our Business Responsibility and Sustainability Report, our company is committed to addressing key ESG challenges and aligning our efforts with the principles of the National Guidelines on Responsible Business Conduct (NGRBC).

**Challenges:** We are navigating the complexities of evolving environmental regulations, addressing workforce development needs, and working towards enhancing supply chain sustainability.

**Targets:** our targets include enhancing our employee welfare initiatives, fostering a diverse and inclusive workplace, strengthening our governance practices to ensure transparency and accountability and strengthening supply chain sustainability, in line with industry practices and standards.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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**Achievements:** While our journey towards meeting ESG targets is ongoing, we continue to make strides in promoting a supportive work environment and improving our governance practices. These efforts reflect our commitment to aligning with NGRBC principles and responsible business conduct.

**Karunakar Reddy Baddam**

Managing Director

DIN: 00790139

- |  |   |  |  |  |  |  |  |  |  |
|--|---|--|--|--|--|--|--|--|--|
| 8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).   | Mr. Karunakar Reddy Baddam, Managing Director   |  |  |  |  |  |  |  |  |
| 9. Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | Yes. The Director responsible for decision making on sustainability related issues:<br>Mr. Karunakar Reddy Baddam,<br>Managing Director |  |  |  |  |  |  |  |  |
| 10. Details of Review of NGRBCs by the Company:  |   |  |  |  |  |  |  |  |  |

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)										
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9		
	Performance against above policies and follow up action					Director													As and when required.	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances					The Company is in compliance with the existing regulations as applicable.															Quarterly

- |   |     |     |     |     |     |     |     |     |     |
|---|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|   |     |     |     |     |     |     |     |     | No* |

**\*Note:** No external evaluation was undertaken, however, the processes and compliances are subject to scrutiny by internal & external auditors, and regulators, as applicable. The policies relating to statutory compliance are reviewed by Internal Auditors, Statutory Auditors and Secretarial Auditors.

**12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									
	The Company ensures that its policies are in line with the principles prescribed by the NGRBC, MCA. Hence, this point is Not Applicable.								

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1

**Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	Corporate governance, risk management, regulatory compliance, and NGRBC principles, including ethical business practices, stakeholder engagement, environmental sustainability, and social responsibility, were key topics covered. These areas have significantly enhanced the board's strategic decision-making, fostering a culture of accountability, ethical conduct, and sustainable development, ensuring alignment with both regulatory standards and responsible business practices.	100%
Key Managerial Personnel	5	Financial management, corporate governance, regulatory compliance, and NGRBC principles focusing on ethical leadership and transparent financial practices were key topics. These have reinforced the company's compliance framework, enhanced financial oversight, and promoted a culture of integrity, ensuring alignment with responsible business conduct and regulatory standards	100%
Employees other than BOD and KMPs	2	Workplace safety, ethical conduct, human rights, environmental sustainability, transparency, and stakeholder engagement were key topics. This has led to a safer work environment, increased awareness of ethical practices, and a stronger commitment to sustainability, fostering a culture of responsibility and proactive engagement within the organization.	100%
Workers	-	-	-

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of the SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an Appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	NIL	NA	No
Settlement	NA	NA	NIL	NA	No
Compounding	NA	NA	NIL	NA	No

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	No
Punishment	NA	NA	NA	No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes,

The company has in place a comprehensive framework to combat corruption and bribery. The company's code of conduct governs employees, emphasizing integrity and ethical behavior. Additionally, there's an integrity pact focusing on non-disclosure and confidentiality, which also includes anti-corruption and anti-bribery clauses. Furthermore, the company has established a whistleblower policy to provide a mechanism for employees to report unethical behavior, fraud, or violations of the company's code of conduct or policy directly to the Chairman of the Audit Committee. The weblink to the policy is <https://apollo-micro.com/wp-content/uploads/2017/09/WHISTLE-BLOWER-POLICY.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

**6. Details of complaints with regard to conflict of interest:**

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

**7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**

Not Applicable as there are no fines / penalties / action taken by any regulators/ law enforcement authority during the financial year.

**8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:**

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Number of days of accounts payables	255 days	231 days

**9. Open-ness of business**

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

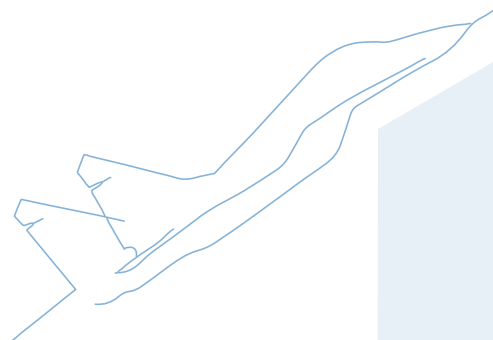
Parameter	Metrics	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.04%	0.01%
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	67.82%	56.73%
	d. Investments (Investments in related parties/ Total Investments made)	100%	100%

**PRINCIPLE 2****Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators**

1. **Percentage of Research and Development (R&D) and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total Research and Development (R&D) and capex investments made by the entity, respectively:**

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)	Details of improvements in environmental and social impacts
CAPEX	-	-	Nil
R&D	-	-	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
No, we do not have a procedure in place for sustainable sourcing.
- b. If yes, what percentage of inputs were sourced sustainably? NA
3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**  
Due to the nature of our operations, which involve extensive dealings with defence and government agencies, we currently do not engage in product reclamation practices for reuse, recycling, or disposal.
4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No): If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same:**  
Not applicable
- The main products of the Company are Defence and space technology products for use in security applications. Once the products are sold, they would not be returned to the Company.



**PRINCIPLE 3**

**Business should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	332	204	61.44%	204	61.44%	-	0	-	-	-	-
Female	73	31	42.46%	31	42.46%	73	100%	-	-	73	100%
<b>Total</b>	<b>405</b>	<b>235</b>	<b>58.02%</b>	<b>235</b>	<b>58.02%</b>	<b>73</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>100%</b>
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note:** Eligible employees falling under the parameters of ESIC are covered under the respective law.

- b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other than Permanent workers*</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.31%	0.43%

## 2. Details of retirement benefits, for Current FY and Previous Financial Year\* (\*only India)

Benefits	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	90.12%	-	Yes	89.66%	-	Yes
Gratuity	59.25%	-	Yes	100.00%	-	Yes
ESI	40.74%	-	Yes	44.13%	-	Yes
Others (please Specify)	-	-	-	-	-	-

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, company owned offices and premises are accessible to differently abled employees and workers, as per the requirement of the Rights of Persons with Disability Act, 2016.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. <https://apollo-micro.com/investors/>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

GENDER	Permanent Employees		Permanent Workers	
	Return to work Rate	Retention Rate	Return to work Rate	Retention Rate
Male	-	-	-	-
Female	100%	100%	-	-
Total	100%	100%	-	-

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers	NA
Other than Permanent Workers	NA
Permanent Employees	Yes, all the employees can forward their grievances by phone call, email other verbal/ written means of communication and company has vigil mechanism and whistle blower policy for redressal of grievance. The employees can approach their Head of Department (HOD) and HR.
Other than Permanent Employees	NA

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of Employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	405	-	-	358	-	-
- Male	332	-	-	289	-	-
- Female	73	-	-	69	-	-
Total Permanent Workers	-	-	-	-	-	-
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-

**8. Details of training given to employees and workers:**

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	332	332	100%	332	100%	289	289	100%	289	100%
Female	73	73	100%	73	100%	69	69	100%	69	100%
<b>Total</b>	<b>405</b>	<b>405</b>	<b>100%</b>	<b>405</b>	<b>100%</b>	<b>358</b>	<b>358</b>	<b>100%</b>	<b>358</b>	<b>100%</b>
<b>Workers</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**9. Details of performance and career development reviews of employees and worker:**

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	332	332	100%	289	289	100%
Female	73	73	100%	69	69	100%
<b>Total</b>	<b>405</b>	<b>405</b>	<b>100%</b>	<b>358</b>	<b>358</b>	<b>100%</b>
<b>Workers</b>						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**10. Health and safety management system:**

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

Yes, the company-owned facilities and offices have Occupational and health & safety management system implemented and on place.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company diligently reviews work-related hazardous risk on a quarterly basis, facilitating the identification of safety concerns across diverse manufacturing processes and sustaining a regiment of compliance monitoring. The Company has proficiently recognized hazardous risks on routine and non-routine basis. To cultivate a wholesome work atmosphere characterized by minimal accidents, the Company consistently scrutinizes its safety apparatus. Every recommendation received from Regulator(s) and industry forums pertaining to employee safety and health is promptly implemented, signifying our steadfast commitment to this vital aspect.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

No, the company does not have workers.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the eligible Employees are covered under various statutory regulations as applicable to the Company.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	-	-
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	-	-
No. of fatalities	Employees	Nil	Nil
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	-	-

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

- Creation of an Emergency Assembly Area, ensuring secure congregation during critical situations.
- Ensuring accessible drinking water facilities and sanitation amenities.
- Implementation of CCTV cameras, bolstering physical security and premises surveillance.
- Availability of comprehensive Standard Operating Procedures (SOPs) within the work environment.
- Conduction of Health and Safety Trainings and Mock Drills at regular intervals for heightened awareness.

**13. Number of Complaints on the following made by employees and workers:**

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	NIL	0	0	NIL
Health & Safety	0	0	NIL	0	0	NIL

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

No corrective action were required to address safety related incidents and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

**PRINCIPLE 4**

**Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**
**1. Describe the processes for identifying key stakeholder groups of the entity.**

The key stakeholders identified by the company are its, Customers, Suppliers, Employees, Shareholders, Government, Regulatory & Statutory Bodies, Auditors and Bankers. The Company has a mechanism for identification of key stakeholders. The various Stakeholders engagement with the company is an ongoing process and efforts are made to improve deep relationships with the stakeholders keeping the expectations and the objectives of the company in mind. The feedback from various stakeholder is welcome and the management works towards improving such relationships.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Emails, Notices and other communication mechanisms	Regular	Regular update on engagement with the Company

<b>Stakeholder Group</b>	<b>Whether identified as Vulnerable &amp; Marginalized Group (Yes/ No)</b>	<b>Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other</b>	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Investors	No	Emails, Newspaper, Advertisement, website of the Company and Stock Exchanges and General Meetings	Event specific and as per statutory requirements	To appraise periodically on Company Performance To answer queries of investors on operations of the Company and other secretarial matters
Customers	No	Emails, personal and telephonic meeting	As and when required	We engage with our customers to ensure regular supply of the products, keep them informed about new products, participate in the bids/ tenders and maximize the outreach of our products.
Suppliers & Partners	No	Physical and virtual meetings, supplier forums, partner events, calls, e-mail and website.	Frequent and need-based	To make suppliers aware of the requirements of the Company with respect to the quality and other specifications. They are also made aware of the policies of the Company with respect to the ethical practices and also the quality standards maintained by the Company.
Government authorities	No	Our interactions with authorities take place through e-mails, meetings, submissions, etc. as required.	Need-based	With regulatory authorities, our engagement is aimed at discharging responsibilities. With policy-makers, our engagement aims to understand and discuss matters pertaining to the industry.
Community	No	Our engagement with the community includes physical visits as well as digital channels.	Frequent and need-based	With giving back to society as a core tenet of the Company, our corporate social responsibility programmes target the areas of Environmental Sustainability, Livelihood Enhancement and Women Empowerment.

**PRINCIPLE 5**

**Businesses should respect and promote human rights.**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	405	405	100%	358	358	100%
Other than Permanent*	-	-	-	-	-	-
<b>Total Employees</b>	<b>405</b>	<b>405</b>	<b>100%</b>	<b>358</b>	<b>358</b>	<b>100%</b>
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than Permanent*	-	-	-	-	-	-
<b>Total Workers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024-25 (Current Financial Year)					FY 2023-24 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	332	-	-	332	100%	289	-	-	289	100%
Female	73	-	-	73	100%	69	-	-	69	100%
<b>Other than Permanent*</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Other than Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

### 3. Details of remuneration/salary/wages

#### a. Median remuneration / wages:

	Male		Female	
	Number	Median salary of respective category	Number	Median salary of respective category
Board of Directors (BOD)	3	19,00,000	-	-
Key Managerial Personnel	1	2,00,000	1	95,516
Employees other than Board of Directors and KMP	328	1,24,22,088	72	18,15,242
Workers	-	-	-	-

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Gross wages paid to females as % of total wages	11.63%	11.81

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the HR Head and Whole Time Directors' of the company are responsible for addressing any human rights impacts or issues that may be caused or influenced by the company's operations.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a robust grievance redressal system. The Company complies with applicable Labour Laws and a periodical compliance report which has been submitted by Heads of Divisions. Further, Internal Complaints Committee under the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, is constituted in the company to deal with Complaints related to Sexual Harassment and conduct enquiries on such issues.

#### 6. Number of Complaints on the following made by employees and workers:

	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour /Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

We provide the following mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:

- 1. Confidential Reporting Channels:** Ensuring that all complaints can be reported confidentially to protect the complainant's identity.
- 2. Support Services:** Providing access to counseling and support services to help the complainant cope with the situation.
- 3. Monitoring and Follow-Up:** Regular monitoring and follow-up with the complainant to ensure their safety and well-being throughout and after the investigation process.
- 4. Training and Awareness:** Conducting training sessions for all employees to ensure they are aware of their rights and the importance of a safe and inclusive workplace.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, though their inclusion can vary based on the agreement's specifics.

**10. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above:**

NIL

**PRINCIPLE 6**

**Businesses should respect and make efforts to protect and restore the environment.**

**Essential Indicators**

1. Details of total energy consumption (in kWh) and energy intensity, in the following format:

	<b>FY 2024-25 (Current Financial Year)</b>	<b>FY 2023-24 (Previous Financial Year)</b>
<b>From renewable sources</b>		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>-</b>	<b>-</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	7,87,512.89	7,51,170.30
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>7,87,512.89</b>	<b>7,51,170.30</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>7,87,512.89</b>	<b>7,51,170.30</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumed / Revenue from operations)	0.00014011189	0.0000007277
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / Revenue from operations adjusted for PPP)	0.00014011189	0.0000007277
<b>Energy intensity in terms of physical output</b>	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N)

No

3. Provide details of the following disclosures related to water, in the following format:

	<b>FY 2024-25 (Current Financial Year)</b>	<b>FY 2023-24 (Previous Financial Year)</b>
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0.00	0.00
(ii) Groundwater	0.00	0.00
(iii) Third party water	2686.73	2473.82
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
<b>Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)</b>	<b>2686.73</b>	<b>2473.82</b>

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total volume of water consumption (in kilolitres)</b>	<b>2686.73</b>	<b>2473.82</b>
<b>Water intensity per rupee of turnover</b> (Total water consumption / Revenue from operations)	0.00000047801	0.0000006657
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total water consumption / Revenue from operations adjusted for PPP)	0.00000047801	0.0000006657
<b>Water intensity in terms of physical output</b>	-	-
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

4. Provide the following details related to water discharged:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iii) To Seawater	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others	Nil	Nil
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
<b>Total water discharged (in kilolitres)</b>	<b>Nil</b>	<b>Nil</b>

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No, the entity has not implemented a mechanism for Zero Liquid Discharge, as our manufacturing processes do not produce significant liquid waste that would necessitate such a system.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
NOx	Nil	Nil	Nil
SOx	Nil	Nil	Nil
Particulate matter (PM)	Nil	Nil	Nil
Persistent organic pollutants (POP)	Nil	Nil	Nil

Parameter	Please specify unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Volatile organic compounds (VOC)	Nil	Nil	Nil
Hazardous air pollutants (HAP)	Nil	Nil	Nil
Others – please specify	Nil	Nil	Nil

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Scope 1 emissions*</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Nil	Nil
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	Nil	Nil
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Nil	Nil	Nil
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Nil	Nil	Nil
<b>Total Scope 1 and Scope 2 emission intensity in terms of physical output</b>	Nil	Nil	Nil
<b>Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity</b>	Nil	Nil	Nil

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

No

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	Negligible	Negligible
E-waste (B)	Negligible	Negligible
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
<b>Total (A+B + C + D + E + F + G + H)</b>	-	-
<b>Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)</b>	-	-
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)</b>	-	-
<b>Waste intensity in terms of physical output</b>	-	-
<b>Waste intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is operating in a segment in which there is no waste or residue generation

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Not Applicable as no operations/ offices are located in/around ecologically sensitive areas

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			NA

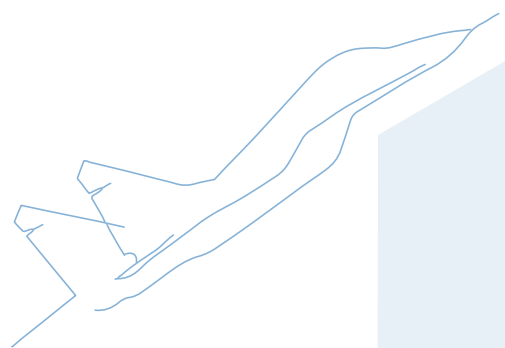
12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
No there were no Environmental Impact Assessments of projects were undertaken during the reporting period of FY 2024-25.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company has complied with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non -compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
				NA



**PRINCIPLE 7**

**Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.  
TWO
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the Trade and Industry Chambers/ Associations	Reach of trade and Industry Chambers/ Associations (State/National)
1	PHD Chamber of Commerce and Industry	National
2	SIDM (Society of Indian Defence Manufacturers)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NA	NA	NA

**PRINCIPLE 8**

**Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Nil					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Nil						

3. Describe the mechanisms to receive and redress grievances of the community.

The company has established a grievance redressal mechanism through a dedicated feedback form available on its website. Community members can submit their grievances via this form. Additionally, the website provides specific contact email addresses for various departments to address any concerns or issues.

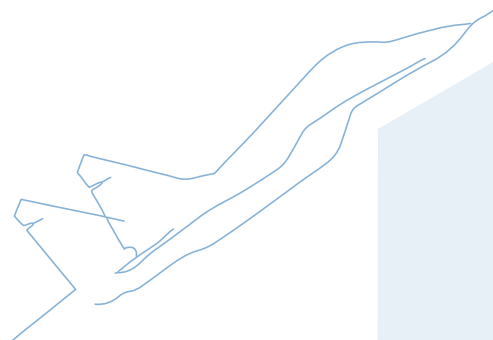
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directly sourced from MSMEs / small producers		13.19%
Directly from within India		100%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Rural	-	-
Semi-urban	-	-
Urban	100%	100%
Metropolitan	-	-

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)



**PRINCIPLE 9**

**Businesses should engage with and provide value to their consumers in a responsible manner.**

**Essential Indicators**
**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

On the website of the Company, contact details are provided for redressal of grievances and complaints on the products. The grievances are resolved without any delay.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	<b>As a percentage to total turnover</b>
Environmental and social parameters relevant to the product	-
Safe and responsible usage	-
Recycling and/or safe disposal	-

**3. Number of consumer complaints in respect of the following:**

	<b>FY 2024-25 (Current Financial Year)</b>		<b>Remarks</b>	<b>FY 2023-24 (Previous Financial Year)</b>		<b>Remarks</b>
	<b>Received during the year</b>	<b>Pending resolution at end of year</b>		<b>Received during the year</b>	<b>Pending resolution at end of year</b>	
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair Trade Practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	Nil	Nil	Nil	Nil	Nil	Nil

**4. Details of instances of product recalls on account of safety issues:**

	<b>Number</b>	<b>Reasons for recall</b>
<b>Voluntary recalls</b>	Nil	Nil
Forced recalls	Nil	Nil

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

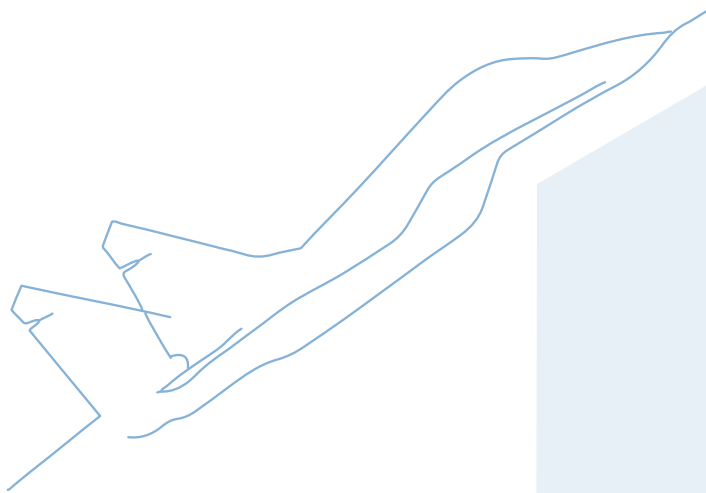
Yes, the Company have a framework on cyber security and risks related to data privacy.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:**

No incidents of issues pertaining to advertising and delivery of essential services; and data privacy of customers; product recalls were reported in the review period of FY 2024-25

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches - **Nil**
- b. Percentage of data breaches involving personally identifiable information of customers – **0%**
- c. Impact, if any, of the data breaches - **Nil**





# Standalone

## **Financial Statements**

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# Independent Auditor's Report

To  
The Members of  
**Apollo Micro Systems Limited**

## Report on the Audit of the Standalone financial statements

### Opinion

We have audited the accompanying standalone financial statements of **Apollo Micro Systems Limited** ('the Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes forming part of standalone financial statements, including a summary of material accounting policies and other explanatory information (herein after referred to as 'the Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025 and total profit and other comprehensive income (comprising profit and other comprehensive income), statement of changes in equity and its cash flows for the year ended.

### Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in

accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### Key audit matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matter	Auditor's response
<p><b>1. Capital work in progress (CWIP):</b></p> <p>Appropriateness of recording of costs as 'capital work in progress':</p> <p>As at 31 March 2025, the company has recorded CWIP aggregating to ₹ 5,873.48 lakhs (after additions and capitalisation) towards-</p> <p>(i) various testing tools and instruments and expansion of its manufacturing facilities at ₹ 2,600.98 lakhs and</p> <p>(ii) civil works at ₹ 3,272.50 lakhs.</p> <p>Management has identified certain specific costs incurred for ₹ 3,052.31 lakhs and has applied judgement to assess if these costs incurred relating to CWIP meet the recognition criteria of Property, Plant and Equipment in accordance with Ind AS-16 (Property, Plant and Equipment). Accordingly, this is determined as a key audit matter due to the significance of the capital expenditure during the year.</p> <p>Refer the note 4(b) to the standalone financial statements.</p>	<p>We assessed the Company's process to verify the Capital expenditure incurred during the year.</p> <p>Our audit approach included testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• We have performed detailed discussion with the management to understand their business plans, assumptions used in assessing future technology products and their relevance to meet future demands.</li> <li>• Review of capital expenditure, business plans, documents/information thereto and their controls effectiveness.</li> <li>• Substantive tests including testing on a sample basis the major additions, deletions to the assets by applying all the characteristics of capital expenditure, proper classification of the same, with reference to the Company's policy and accounting standards.</li> <li>• Tested the source documentation to determine whether the expenditure is in capital nature and has been appropriately approved and segregated into appropriate categories.</li> <li>• Scrutiny of relevant general ledgers to assess if the expenditure has been correctly accounted for.</li> <li>• Review of physical verification reports, for the verification carried out by the management for CWIP.</li> <li>• Our procedures as mentioned above did not identify any costs that has been inappropriately capitalised.</li> <li>• Ensuring adequacy of disclosures in standalone financial statements.</li> <li>• Review of compliance with respect to Companies Act, Income tax Act, Customs duty and GST Act, particularly for accounting of CAPEX additions, deletions, depreciation and of carrying amounts thereof.</li> </ul>
<p><b>2. Inventories:</b></p> <p>The Company carries significant inventories amounting to ₹ 60,058.83 lakhs as on 31 March 2025. Inventory constitutes 61% of total current assets and 48% of total assets</p>	<p>In view of significance of the matter we applied the following procedures:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and assessing the design implementation and operating effectiveness of management's key internal controls relating to physical verification of inventories by the management, identification of obsolete and slow-moving inventory, monitoring of inventory ageing and assessment of provisioning.</li> <li>• Reviewed the management judgements applied in calculating risk of obsolescence at the time of material procurement taking into consideration the inside technical expertise and management assessment of present and future condition of inventory</li> </ul>

Key audit matter	Auditor's response
<p>With such a huge volume of inventories there is a remote risk of obsolescence. Since the inventories are specific for customers, possibility of obtaining accurate NRV is not feasible.</p> <p>Given the significant judgment and estimates and the huge value of inventories involved in the management assessments and complexities in accurate physical verification of stocks in process, the inventories are identified as key audit matter.</p> <p>Refer to note-7 of the standalone financial statements</p>	<ul style="list-style-type: none"> <li>• Assessing the design implementation and operating effectiveness of management's key internal controls over classification, valuation and valuation models.</li> <li>• Reviewed the policy of management for physical verification and the documents related to management physical count procedure followed.</li> <li>• Sample testing of orders received , purchase and cost accumulation in the value of stock in process.</li> <li>• Compare the cost of inventory with estimated net realisable value by comparing actual selling price prevailing around and subsequent to the year end.</li> <li>• We have made a detailed analysis of order book, in order to study whether the value of the WIP along with finished goods are in line with the value of pending orders in term of value.</li> <li>• Assessed and valued the appropriateness of disclosures made in the standalone financial statements.</li> </ul>

## Other Information

The Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures there to, Business Responsibility and sustainable Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the additional information, as mentioned above, that would be included in the Integrated Report, if we conclude that there is a material misstatement therein,

we are required to communicate the matter to those charged with governance and take appropriate actions as applicable under the relevant laws and regulations.

## Responsibility of Management and those charged with Governance for the Standalone financial statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act and other accounting principle generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in '**Annexure-A**' a statement on the matters specified in paragraphs 3 and 4 of the Order
- 2) As required by Section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in paragraph 2(i)(vi) below on reporting under rule 11(g) of the companies (Audit and auditors) rules 2014 as amended
  - c. The standalone balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the maintenance of accounts and other matters connected therewith, reference is made to other remarks paragraph 2(b) above on reporting under section 143(3)(b) and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).
  - g. With respect to the adequacy of the internal financial controls over with reference standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure-B'.
  - h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer note.33 to the Standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company as no dividends are declared by the Company. Hence there are no delays in transfer of amounts to IEPF
    - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. The dividend declared in previous year and paid during the year by the company is in compliance with section 123 of the Act, to the extent it applies to payment of dividend.
  - vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account in which a feature of recording audit trail (edit log) facility has been installed with effect from 30th November 2024 and it has operated from that date for the remaining period for all the relevant transactions recorded in accounting software. During the course of performing our audit, we did not come across any instance of audit trail being tampered with. Further the audit trail feature has been preserved with effect from 30th November 2024 and hence our commenting on preserving audit trail for previous year is not applicable.
- Place: Hyderabad  
Date: 23 May 2025
- ICAI**  
**UDIN:25231056BMOVZK4696**

## Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of Apollo Micro Systems Limited on the standalone financial statements as of and for the year ended March 31, 2025)

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that

- i) In respect of the Company's property, plant and equipment, right-of-use assets and intangible assets:
  - a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets. However, the company has plan to improve the contents of the PPE register including updating the current year transactions.
  - B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a regular programme of physical verification of its Property, Plant and Equipment, and right-of-use assets so as to cover all the assets over a period of three years which, in our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the proportionate portion of PPE were physically verified during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) According to the information and explanation given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated during the year or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The Company has maintained proper records of inventory. There were no material discrepancies noticed on verification between the physical stock and the book records, physically verified stocks are recorded to report consumption as derived figures.
- b) During the year, the Company has been sanctioned working capital limits in excess of Rs.5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly/monthly returns or statements with such banks, based on physical verification of stocks. Accordingly, there are no discrepancies and are in agreement with the books of accounts.

- iii) a) The Company has, during the year, made investments in two partly owned subsidiaries and gave an unsecured loan to one partly owned subsidiary company. The aggregate amount granted during the year and balances outstanding at the balance sheet date with respect to such loan to subsidiaries are as per the details given below:

Particulars	Guarantees ₹ in Lakhs	Loans ₹ in Lakhs
Aggregate amount granted during the year.		
- Subsidiaries (net)	5,000.00	810.35
- Others	-	103.22
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries	5,000.00	1,786.61
- Others	-	847.78

The Company has provided corporate guarantee but has not offered security to any one during the year.

The above amounts are included respectively in note 5 (ii) and 11 to the standalone financial statements.

- b) In respect of the aforesaid investments, advance against equity, guarantees and loans, the terms and conditions under which such investments were made, advance against equity was given, guarantees provided and subject to some inadequate documentation the loans were granted are not prejudicial to the

Company's interest, based on the information and explanations provided by the Company.

- c) In respect of aforesaid loans, the terms and conditions under which loans were granted are not prejudicial to the Company's interest, based on the information and explanation provided by the Company. In respect of loan granted by the Company to a company, repayment is on demand basis and payment of interest has been stipulated on annual basis and is not received as per stipulation (provision is partly provided for in books). In case of loan given to partly owned subsidiary the terms for repayment of loan is not stipulated but interest is stipulated, and receipts of interest have been generally regular as per stipulation.
- d) In respect of loans granted by the Company to subsidiaries, there is no overdue on account of principal and Interest amount remaining outstanding as at the balance sheet date for more than 90 days, and interest overdue for an amount of Rs.131.30 lakhs with respect to a loan given to a company and as per information and explanation given by the company necessary and reasonable steps have been taken for recovery of principal and Interest amount in next year. Pending receipt of overdue amount a provision of Rs.37.99 lakhs is provided in books.
- e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- f) The details of loan granted, either repayable on demand or without specifying any term of repayment, are given below:

Particulars	All Parties ₹	Promoters ₹	Related Parties ₹
Repayable on demand	807.30	-	-
No items or repayments terms are specified	1,827.09	-	1,786.61
<b>Total</b>	<b>2,634.39</b>		<b>1,786.61</b>
Percentage of the total loans granted	100%		67.82%

The above loans are disclosed in the standalone financial statements as note 5 (ii) for Subsidiaries and note11 for others.

- iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, in respect of loans granted, investments made and guarantees provided as applicable. The Company has not provided any securities.
- v) The Company has not accepted any deposits or amounts during the year as per provisions of Section 73 or 76 of the Act and relevant Rules framed thereunder. Accordingly, the clause 3 (v) of the Order are not applicable to the Company for the year.
- vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under section148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) In respect of statutory dues:

- a) According to the information and explanation given to us by the Company and records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, though there has been slight delays in a few cases on some occasions.

The Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services tax, Provident Fund, Employee's State Insurance, Income Tax, Duty of Custom, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2025 on account of disputes are given below:

<b>Nature of Statue</b>	<b>Nature of dues</b>	<b>Forum where the dispute is pending</b>	<b>Period to which the amount relates</b>	<b>Amount (₹ in lakhs)</b>
The Income Tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	AY 2015-16	10.62
The Income Tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	AY 2016-17	6.82
The Income Tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	AY 2018-19	3.79
The Income Tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	AY 2018-19	12.64
The Income Tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	AY 2019-20	100.55
The Income Tax Act, 1961	Income tax	Commissioner of Income-tax (Appeals)	AY 2024-25	3.09

- viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act, 1961(43 of 1961).
- ix) a) According to the information and explanation given to us by the Company and records of the Company examined by us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year. Accordingly, Clause 3(ix) of the order is not applicable.

- b) The Company has not been declared a wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has obtained term loans and applied for the purpose for which it has been obtained.
- d) According to the information and explanation given to us by the Company and based on the procedures performed by us and on overall examination of Standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purpose of the Company.
- e) According to the information and explanation given to us by the Company and on overall examination of Standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associate or Joint ventures.
- f) According to the information and explanation given to us by the Company and based on the procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b) As at the beginning of the year 24,13,070 warrants of ₹10 each are outstanding for conversion into 2,41,30,700 equity shares of ₹ 1/- each. During the year the 24,13,070 warrants were converted into equity shares of 2,41,30,700 equity shares of ₹ 1/- each.
- xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have been informed of any such case by the Management.
- b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us. The Company has not received any whistle blower complaints during the year. Accordingly, Clause 3(xi)(c) of the Order is not applicable.
- xii) The Company is not a Nidhi Company as prescribed under Section 406 of the Act and Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) In our opinion, and according to the information given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS.
- xiv) a) In our opinion and according to the information given to us, the Company has an internal audit system commensurate with the size and the nature of its business.
- b) We have not considered the internal audit report for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedure.
- xv) In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting

under clause 3(xvi)(a) & (b) of the Order is not applicable.

- b) In our opinion, there is no core investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) & (d) of the Order is not applicable.

xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding the financial year.

xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) is not applicable to the Company.

xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability

of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) a) During the year the company has incurred expenditure of ₹ 100.00 lakhs against current year CSR obligation of ₹ 63.06 lakhs resulting in Rs.36.94 lakhs excess paid during the year to be carry forward to the next year. Accordingly, there is no unspent amount which is required to be transferred to fund specified in schedule VII with in a period of six months.

b) In our opinion and according to the information and explanations given to us by the Company, there is no unspent amount under sub-section (6) of Section 135 of the Act pursuant to ongoing projects. Accordingly, clause 3(xx)(b) of the Order is not applicable.

xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

Place: Hyderabad  
Date: 23 May 2025

**ICAI**  
**UDIN:25231056BMOVZK4696**

## Annexure 'B' to the Independent Auditors' Report

(Referred to in paragraph 2 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Apollo Micro Systems Limited of even date)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Apollo Micro Systems Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the Orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act,

to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls over to financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls with reference to Standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone financial statements**

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial

statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2025, based on the internal financial control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place: Hyderabad  
Date: 23 May 2025

**ICAI**  
**UDIN:25231056BMVZK4696**

# Standalone Balance Sheet

as at 31 March 2025

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Particulars	Note No	As at 31 March 2025	As at 31 March 2024
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	4 (a)	17,121.93	14,003.02
(b) Capital work-in-progress	4 (b)	5,873.48	2,397.75
(c) Right-to-use assets	4 (c)	461.72	177.94
(d) Intangible assets	4 (d)	499.01	183.09
(e) Financial assets			
(i) Investments	5 (i)	193.65	133.65
(ii) Loans	5 (ii)	1,827.09	1,001.39
(iii) Other financial assets	5 (iii)	745.25	697.58
(f) Other non-current assets	6	592.88	219.47
		<b>27,315.00</b>	<b>18,813.90</b>
<b>2 Current assets</b>			
(a) Inventories	7	60,058.83	43,351.10
(b) Financial assets			
(i) Trade receivables	8	23,832.95	23,527.17
(ii) Cash and cash equivalents	9	21.58	18.65
(iii) Other bank balances	10	2,220.89	2,054.59
(iv) Loans	11	769.32	719.44
(c) Other current assets	12	12,005.19	7,005.11
		<b>98,908.76</b>	<b>76,676.06</b>
		<b>1,26,223.76</b>	<b>95,489.96</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(i) Equity share capital	13	3,064.90	2,823.59
(ii) Other equity	14	57,796.99	49,115.39
<b>Total equity</b>		<b>60,861.89</b>	<b>51,938.98</b>
<b>2 LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15 (a)	3,821.13	943.72
(ii) Lease liabilities	16 (a)	269.13	105.19
(iii) Other financial liabilities	17	120.00	-
(b) Provisions	18 (a)	164.44	110.55
(c) Deferred tax liabilities (net)	19	4,073.81	3,367.55
		<b>8,448.51</b>	<b>4,527.01</b>
<b>3 Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15 (b)	25,248.08	19,660.67
(ii) Lease liabilities	16 (b)	189.31	71.44
(iii) Trade payables	20	-	-
- Dues of micro enterprises and small enterprises		-	-
- Dues of creditors other than micro enterprises and small enterprises		27,988.00	16,896.51
(iv) Other financial liabilities	21	541.15	300.18
(b) Provisions	18 (b)	39.51	23.69
(c) Other current liabilities	22	772.75	1,184.94
(d) Current tax liabilities (net)	23	2,134.57	886.53
		<b>56,913.37</b>	<b>39,023.96</b>
		<b>1,26,223.76</b>	<b>95,489.96</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			

Corporate information &amp; material accounting policies

1 to 3

The accompanying notes are an integral part of the financial statements.

33 to 49

As per our report of even date

For and on behalf of the Board of Directors of

**for S.T.Mohite & Co**
**Apollo Micro Systems Limited**

Chartered Accountants

Firm Registration Number: 011410S

**CA.Hima Bindu Sagala**

Partner

Membership No.: 231056

**Karunakar Reddy Baddam**

Managing Director

DIN: 00790139

**Krishna Sai Kumar Addepalli**

Director

DIN: 03601692

Place: Hyderabad

Date: 23 May 2025

UDIN: 25231056BMOVZK4696

**Sudarshan Chiluveru**

Chief Financial Officer

**Rukhya Parveen**

Company Secretary

Membership No: A65112

Place: Hyderabad

Date: 23 May 2025

# Standalone Statement of Profit and Loss

for the year ended 31 March 2025

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Particulars	Note No	Year ended 31 March 2025	Year ended 31 March 2024
I Revenue from operations	24	56,206.92	37,163.42
II Other income	25	404.83	263.38
III <b>Total income (I+II)</b>		<b>56,611.75</b>	<b>37,426.80</b>
IV <b>Expenses</b>			
Cost of materials consumed	26	43,567.13	28,319.38
Changes in inventories of finished goods and work-in-progress	27	(3,870.53)	(2,474.78)
Employee benefits expenses	28	2,183.45	1,688.53
Depreciation and amortisation expenses	29	1,531.94	1,129.56
Finance costs	30	3,414.35	3,030.15
Other expenses	31	1,404.97	1,244.05
<b>Total expenses (IV)</b>		<b>48,231.32</b>	<b>32,936.89</b>
V <b>Profit before tax (III-IV)</b>		<b>8,380.43</b>	<b>4,489.91</b>
Exceptional item		-	-
<b>Profit before tax</b>		<b>8,380.43</b>	<b>4,489.91</b>
VI <b>Tax expense</b>			
Current tax	32	1,891.01	642.97
Tax adjustments for earlier years		53.13	(26.27)
Deferred tax		712.13	706.31
Total tax expense		2,656.27	1,323.01
VII <b>Profit for the year (V-VI)</b>		<b>5,724.16</b>	<b>3,166.90</b>
VIII <b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurement gains/ (losses) on defined benefit obligations		(20.10)	36.25
Income-tax thereon	32	5.85	(10.56)
<b>Items that will not be reclassified to profit or loss:</b>			
Re-measurement gains/ (losses) on defined benefit obligations		-	-
Income-tax thereon		-	-
<b>Total Other Comprehensive Income, net of tax</b>		<b>(14.25)</b>	<b>25.69</b>
IX <b>Total comprehensive income for the year [VII+VIII]</b>		<b>5,709.91</b>	<b>3,192.59</b>
X <b>Earnings per equity share (FV ₹ 1)</b>	41		
Basic (₹)		1.89	1.27
Diluted (₹)		1.89	1.19

Corporate information & material accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements. 33 to 49

As per our report of even date

**for S.T.Mohite & Co**

Chartered Accountants

Firm Registration Number: 011410S

For and on behalf of the Board of Directors of

**Apollo Micro Systems Limited**

**CA.Hima Bindu Sagala**

Partner

Membership No.: 231056

**Karunakar Reddy Baddam**

Managing Director

DIN: 00790139

**Krishna Sai Kumar Addepalli**

Director

DIN: 03601692

Place: Hyderabad

Date: 23 May 2025

UDIN: 25231056BMOVZK4696

**Sudarshan Chiluveru**

Chief Financial Officer

Place: Hyderabad

Date: 23 May 2025

**Rukhya Parveen**

Company Secretary

Membership No: A65112

# Standalone Statement of Cash Flows

for the year ended 31 March 2025

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>I. Cash flows from operating activities</b>		
<b>Profit before tax</b>	8,380.43	4,489.91
Adjustments		
Depreciation and amortisation expenses	1,531.94	1,129.56
Finance income	(374.41)	(263.13)
Finance costs	3,414.35	3,030.15
<b>Operating profit before working capital changes</b>	<b>12,952.31</b>	<b>8,386.49</b>
Changes in working capital:		
Changes in operating assets (increase)/decrease:		
-Trade receivables	(305.78)	(8,867.63)
-Inventories	(16,707.73)	(9,198.14)
-Loans - current	(49.88)	(453.44)
-Other assets - current	(4,980.08)	(2,613.59)
Changes in operating liabilities (increase)/decrease:		
-Trade payables	11,091.49	5,327.07
-Other financial liabilities - current	(171.23)	(122.11)
-Provisions	49.61	25.73
<b>Cash generated from operations</b>	<b>1,878.71</b>	<b>(7,515.62)</b>
Income taxes paid (net)	(696.11)	(248.51)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,182.60</b>	<b>(7,764.13)</b>
<b>II. Cash flows from investing activities</b>		
Purchase of PPE (including capital work in progress)	(8,690.20)	(4,794.74)
Investment in subsidiaries	-	(0.76)
Loan to subsidiaries	(825.70)	(408.39)
Bank deposits (having original maturity of more than three months) - net	(166.30)	(671.48)
Other financial assets	(7.67)	(265.99)
Finance income	374.41	263.13
<b>Net cash used in investing activities</b>	<b>(9,315.45)</b>	<b>(5,878.23)</b>
<b>III. Cash flows from financing activities</b>		
Dividend paid	(153.25)	(58.24)
Money received against share warrants	3,366.23	10,423.44
Proceeds from borrowings	3,870.42	1,629.61
Repayment of borrowings	(993.02)	(788.64)
Proceeds from short-term loans and borrowings, net	5,587.41	5,515.07
Payment of principal portion of lease liabilities	(127.67)	(43.98)
Interest paid	(3,414.35)	(3,030.15)
<b>Net cash provided by financing activities</b>	<b>8,135.78</b>	<b>13,647.10</b>
<b>Net increase in cash and cash equivalents (I+II+III)</b>	<b>2.93</b>	<b>4.74</b>
Cash and cash equivalents at the beginning of the year	18.65	13.91
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>21.58</b>	<b>18.65</b>

# Standalone Statement of Cash Flows

for the year ended 31 March 2025

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Particulars	Year ended 31 March 2025	Year ended 31 March 2024
<b>Cash and cash equivalents comprise: (Refer Note 9 in Balancesheet)</b>		
Cash on hand	15.96	7.91
Balances with banks:		
- in current accounts	5.62	10.74
	<b>21.58</b>	<b>18.65</b>

## Note:

- The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS-7 "" Statement of Cash Flows.

Corporate information & material accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements. 33 to 49

As per our report of even date

**for S.T.Mohite & Co**

Chartered Accountants

Firm Registration Number: 011410S

For and on behalf of the Board of Directors of

**Apollo Micro Systems Limited**

**CA.Hima Bindu Sagala**

Partner

Membership No.: 231056

**Karunakar Reddy Baddam**

Managing Director

DIN: 00790139

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Director

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Place: Hyderabad

Date: 23 May 2025

UDIN: 25231056BMOVZK4696

**Sudarshan Chiluveru**

Chief Financial Officer

Place: Hyderabad

Date: 23 May 2025

**Rukhya Parveen**

Company Secretary

Membership No: A65112

# Standalone Statement of Changes in Equity

for the year ended 31 March 2025

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## a. Equity Share Capital

	No. of shares	Amount ₹
Balance as at 1 April 2023 (₹.10 each fully paid)	20,76,38,860	2,076.39
Changes in equity share capital	7,47,20,000	747.20
Balance as at 31 March 2024 at face value ₹1 each)	28,23,58,860	2,823.59
Issue of equity share capital (₹.1 each fully paid)	2,41,30,700	241.31
Balance as at 31 March 2025 (₹.1 each fully paid)	30,64,89,560	3,064.90

## b. Other equity

Particulars	Reserves and surplus		Money received against share warrants (refer note no.13)	Other comprehensive income	Total
	Securities premium	Retained earnings			
<b>At 1 April 2023</b>	16,537.57	15,142.12	4,597	28.56	36,304.81
Profit for the year	-	3,166.90	-	-	3,166.90
Other comprehensive income	-	-	-	25.69	25.69
Additions during the year	13,150.72	-	10,423.44	-	23,574.16
Adjustment against share warrants	-	-	(13,897.92)	-	(13,897.92)
Dividend Paid	-	(58.24)	-	-	(58.24)
<b>Balance as of 31 March 2024</b>	<b>29,688.29</b>	<b>18,250.78</b>	<b>1,122.08</b>	<b>54.25</b>	<b>49,115.39</b>
<b>As at 1 April 2024</b>	<b>29,688.29</b>	<b>18,250.78</b>	<b>1,122.08</b>	<b>54.25</b>	<b>49,115.39</b>
Profit for the year	-	5,724.16	-	-	5,724.16
Other comprehensive income	-	-	-	(14.25)	(14.25)
Additions during the year	4,247.00	-	3,366.23	-	7,613.24
Adjustment against share warrants	-	-	(4,488.31)	-	(4,488.31)
Dividend paid	-	(153.25)	-	-	(153.25)
<b>Balance as of 31 March 2025</b>	<b>33,935.29</b>	<b>23,821.69</b>	<b>-</b>	<b>40.00</b>	<b>57,796.99</b>

Corporate information & material accounting policies

1 to 3

The accompanying notes are an integral part of the financial statements.

33 to 49

As per our report of even date

**for S.T.Mohite & Co**

Chartered Accountants

Firm Registration Number: 011410S

For and on behalf of the Board of Directors of

**Apollo Micro Systems Limited**

**CA.Hima Bindu Sagala**

Partner

Membership No.: 231056

**Karunakar Reddy Baddam**

Managing Director

DIN: 00790139

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**Sudarshan Chiluveru**

Chief Financial Officer

**Rukhya Parveen**

Company Secretary

Membership No: A65112

Place: Hyderabad

Date: 23 May 2025

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 1. Corporate information

Apollo Micro Systems Limited ("AMS" or "the Company") was incorporated on 3 March 1997 as a private limited company and it was converted to public limited company with effect from 1 April 2017. The Company's shares trade on the Bombay Stock Exchange and the National Stock Exchange. The Registered office of the Company is situated at Plot No. No.128/A, Road No-12, BEL Road, IDA Mallapur, Uppal Mandal, Rangareddy Dist-500076. The Company is mainly into the supply of electronics and electro-mechanical systems and components including design, research & development of systems which are used in missile programmes (weapon systems electronics), underwater missile programmes (weapon systems electronics), avionics systems, ship borne systems, submarine systems, etc.

## 2. Basis Of Preparation and Measurement

### 2.1 Statement of compliance

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (referred to as Ind AS) as prescribed under Section 133 of Companies Act, 2013, (the 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, as applicable and other relevant provisions of the Act.

The standalone financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the standalone financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires change in accounting policy hitherto in use.

The standalone financial statements for the year ended 31 March 2025 were approved by the Board of Directors and authorised for issue on 23 May, 2025.

### 2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following:

- certain financial assets and liabilities are measured at fair value including corporate financial guarantee.
- long term borrowings are measured at amortized cost using the effective interest rate method.
- defined benefits plans and plan assets measured at fair value.

### 2.3 Use of estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 3.3 - Assessment of functional currency;
- Note 3.13 - Financial instruments;
- Notes 3.6- Useful lives of property, plant and equipment and intangible assets;
- Note 3.2 - measurement of right-of-use assets and lease term;
- Note 3.9 - Valuation of inventories;
- Note 3.11 - Assets and obligations relating to employee benefits;
- Note 3.12 - Provisions and other accruals;
- Note 3.1 -Measurement of transaction price in a revenue transaction;
- Note 3.4 - Evaluation of recoverability of deferred tax assets, and estimation of income tax payable and income tax expense in relation to uncertain tax positions; and
- Note 3.12 - Contingencies

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 2.4 Measurement of fair values

Accounting policies and disclosures require measurement of fair value for both financial and non-financial assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values are included in the following notes:

- Note 3.13 - Financial instruments

## 2.5 Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

### Assets

An asset is classified as a current when:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

### Liabilities

A liability is classified as a current when:

- it expects to settle the liability in its normal operating cycle;

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- the Company does not have an unconditional right to defer settlement of liability for at least twelve months from the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current

## Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities

## 3. Material Accounting policies information

New standards, interpretations and amendments adopted by the Company effective from April 01, 2024:

The Company applied for the first time the below amendments, which are effective for annual periods beginning on or after April 01, 2024. The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IND AS 116: Lease Liability in a Sale and Leaseback

The MCA notified the Companies (Indian Accounting Standards) Second Amendment Rules, 2024, which amend Ind AS 116, Leases, with respect to Lease Liability in a Sale and Leaseback.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is effective for annual reporting periods beginning on or after April 01, 2024 and must be applied retrospectively to sale and leaseback transactions entered into after the date of initial application of Ind AS 116.

This amendment had no impact on these standalone financial statements.

## 3.1 A. Revenue:

The company derives revenue mainly from the supply of electronics and electro-mechanical systems and components including design, research & development of systems which are used in missile programmes (weapon systems electronics), underwater missile programmes (weapon systems electronics), avionics systems, ship borne systems, submarine systems, etc

Revenue is recognised when the transfer of control of promised goods or services has been transferred to customers, upon the satisfaction of performance obligations under the contract in an amount that reflects consideration to which the company expects to be entitled in exchange of those goods and services.

To recognise revenues, the company apply the following five step approach Viz., (1) Identify the Contract with customer) (2) Identify the performance obligations in the contract; (3) determine the transaction price; (4) reallocate the transaction price to the performance obligation in the contract; and (5) recognise the revenue when a performance obligation is satisfied.

Revenue from the sale of goods is measured at the transaction price which is the consideration received or receivable, net of expected returns, taxes and applicable trade discounts and allowances.

In arriving at the transaction price, the Company considers the terms of the contract with the customers and its customary business practices. The transaction price is the amount of consideration the Company is entitled to receive in exchange for transferring promised goods or services, excluding amounts collected on behalf of third parties. The amount of consideration varies because of estimated returns which are considered to be key estimates.

For performance obligation satisfied overtime, revenue recognition is made using Input/output method based on performance completion till reporting date. The progress is measured in terms of a proportion of actual costs incurred to-date, to the total estimated cost attributable to the performance obligation as it best depicts the transfer of control that occurs as costs are incurred.

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

The company transfers control of good and service over time and therefore Satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the consumer simultaneously consumes benefit of the company performance; or
- (b) the consumer controls the asset as it is created/ enhanced by the company's performance, or
- (c) there is no alternative of the asset, and the company has either explicit or implicit sight of payment considering legal precedents

Significant judgment and estimates are used in determining selling price of goods or service that do not have an observable selling price and maximise. The use of observable inputs while making an estimate the revenue recognised in case of performance obligation satisfied over a period of time, measuring progress forwards complete satisfaction of performance obligation, determining expected credit losses and determining method to be applied the arrive at variable consideration requiring adjustments to the transaction price.

When entity satisfy performance obligation at which customers obtain control of promised assets that are not limited to

- a) entity has present right to payment
- b) customer has legal title to asset
- c) entity has transferred physical position of asset
- d) the customer as the significant risk and rewards of asset and customer has accepted the asset.

In all other contracts, revenue is recognised at the point of time where performance obligation is satisfied at a point of time, the company recognise revenue when customer obtains control of promised goods and services in the contract.

### Contract Balances

#### Contract Asset:

In a contract, if the entity performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, it shall

be presented as a contract asset, excluding any amounts presented as receivable. A contract asset is an entity's right to consideration in exchange for goods and services that the entity has transferred to the customer.

#### Contract Liability:

If a customer pays consideration, or an entity has a right to an amount of consideration that is unconditional (i.e. a receivable), before the entity transfers a good or service to the customer, it shall be presented as a contract liability when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs the contract i.e., (transfers control of the related goods or services to the customer).

#### Trade Receivables:

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### B. Other Income:

#### (i) Interest Income:

Interest income is earned on loans and other deposits provided and on fixed deposits maintained with banks that are accrued on a time basis by reference to the principal outstanding at stipulated interest rates and at effective interest rate classified as FVTPL or FVTOCI. Interest receivable on customer dues, if any, receivable is recognised as income in the statement of profit & loss on accrual basis provided that there is no uncertainty of realisation.

#### (ii) Govt Grants

#### (iii) Dividend income

#### (iv) Export Incentives

#### (v) Rental Income from Investment property:

Rental income is accounted as per rental agreements executed for relevant investment property

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## (vi) Other Income:

Other items of income are accounted as and when right to receive such income arises, and it is probable that the economic benefit flow to the company and the amount of income can be measured monetarily and reliably.

## 3.2 Leases:

As a lessee, the Company mainly has lease arrangement for buildings. The Company assesses whether a contract is or contains a lease at inception of the contract. The assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from use of that asset.

The Company recognise a right-of- use asset (ROU) and a corresponding lease liability at the lease commencement date. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company uses the incremental borrowing rate.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease initiatives. ROU assets are amortised from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying assets. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The lease liability is initially measured at amortised cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease or if nor readily determinable, using the incremental borrowing rate. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

## 3.3 Foreign currency:

### Functional and presentation currency

These standalone financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented, except information related to share and per share data, in Indian rupees has been rounded to the nearest lakhs.

### Foreign currency transactions

Transactions in foreign currencies are recorded at exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous standalone financial statements are recognised in the standalone statement of Profit and Loss in the period in which they arise.

However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income ("OCI"):

- certain equity instruments where the Company had made an irrevocable election to present in OCI subsequent changes in the fair value in OCI and;
- qualifying cash flow hedges, to the extent that the hedges are effective.

When several exchange rates are available, the rate used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date.

## 3.4 Income taxes

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the statement of Profit and loss except to the extent that it relates to items recognized in the other comprehensive income

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

or directly in the equity, in which case the current and deferred taxes are also recognised in other comprehensive income or directly in equity.

### Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

### Deferred tax

Deferred tax is recognized using the balance sheet approach, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets and liabilities are recognised for deductible temporary differences arising between the tax base of the assets and liabilities and their carrying amounts, except when the deferred income tax arises from the initial recognition of an asset or liability is a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax is recognised to the extent that it is probable that taxable profit will be available, against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be resolved or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.5 Earnings per share:

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equities shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

### 3.6 Property, plant and equipment (PPE):

#### *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Free lands at is carried at historical costs less any accumulated impairment losses and is not depreciated. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

Expenditure during construction period (including financing cost related to borrowed funds for construction or acquisition of qualifying PPE) is included under Capital Work-in-Progress, and the same is allocated to the respective PPE on the completion of their construction.

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current Assets".

#### Borrowing cost:

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition, construction or production of an asset which necessarily take a substantial period of time to get ready for their intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred

#### Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. In case of certain classes of PPE, the Company uses different useful lives than those prescribed in Schedule II to the Act. The useful lives have been assessed based on technical advice, taking into account the nature of the PPE and the estimated usage of the asset on the basis of management's best estimation of obtaining economic benefits from those classes of assets.

Such classes of assets and their estimated useful lives are as under:

Particulars	Useful life (years)
Buildings	30
Plant and machinery	15
Vehicles	8
Tools and spares	15

Particulars	Useful life (years)
Furniture and fixtures	10
Computers	3
Office equipment	5
Electrical equipment	10
Intangible assets	5

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.

#### 3.7 Research and development:

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognized in the statement of profit and loss as and when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditures are capitalized only if development costs can be measured reliably; the product or process is technically and commercially feasible; future economic benefits are probable; and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

The expenditures to be capitalized include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognized as expense in the statement of profit and loss as incurred.

#### 3.8 Intangible assets:

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost.

Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

All intangible assets amortised over a period of five years from the date of recognition.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use.

Gains or losses arising upon derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

### 3.9 Inventories:

Inventories are valued as follows:

- Raw materials, fuel, stores & spare parts and packing materials:

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on weighted average basis.

- Work-in- progress (WIP), finished goods and stock-in-trade:

Valued at lower of cost and NRV. Cost of finished goods and WIP includes cost of raw materials, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on weighted average basis.

Inventories are recorded at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

### 3.10 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount is estimated for the asset or the cash generating unit to which the asset belongs. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, an impairment test is performed each year at March 31, or when circumstances indicate that carrying value may be impaired.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets

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(the “cash-generating unit”). An impairment loss is recognised in the standalone statement of Profit and Loss if estimated recoverable amount of an asset or its cash-generating unit is lower than its carrying amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

## 3.11 Employee benefits:

### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan which an entity pays fixed contribution into a Separate entity and will have no legal or Constructive obligation to pay further amounts. The Company makes specified monthly contribution towards Government administered provident Fund scheme and other funds obligation for contribution plans recognized as an employee benefit expense in statement of profit and loss in the period during which the related service is rendered by employees.

#### (ii) Defined benefit plans

For defined benefits plans, the cost of providing benefits is actually valued used by the projected unit credit method at the end of each annual reporting period re- measurement comprising actuarial gains and losses the effect of changes to the asset ceiling (if applicable) and return on plan Assets (excluding net interest ) is reflected immediately in balance sheet with a change or credit recognized in the compressive income (or) in the period in which they occur. Remeasurements recognized in OCI is reflected immediately in retained earnings and will not be reclassified to statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of plan amendment.

Net interests is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

A defined benefit plan is a post-employment benefits plan others than a defined contribution plan. The liability or asset recognized in the balance sheet is respect of defined benefit plan is the present value of defined benefits obligation at the end of reporting period less the fair value of plan asset.

The present value of the defined benefit obligation to determine by the discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gain and losses arising from experience adjustment and changes in actuarial assumptions or recognized in the period in which they occur ,directly in the other comprehensive income they are included in retained earnings in the statement of changes in equity and in the balance sheet.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefits and when the entity recognizes any related restructuring costs.

Change in the present value of the defined benefit obligation resulting from plan amendment or curtailments are recognized immediately in profit or loss as past service costs.

#### (iii) compensated absence

The Company's current policies permit certain categories of its employees to accumulate and carry forward a portion of their unutilised compensated absences and utilise them in future periods or receive cash in lieu thereof in accordance with the terms of such policies. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company incurs as a result of the unused entitlement that has accumulated at the reporting date. Such measurement is based on actuarial valuation as

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

at the reporting date carried out by a qualified actuary. The resultant expenses are recognized in the standalone statement of Profit and Loss.

### 3.12 Provisions:

#### *Provisions*

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### *Contingent liabilities and contingent assets:*

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognised in the financial statements.

A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

### 3.13 Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **Financial assets**

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (e.g., regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Trade receivables generally do not contain any significant financing component requiring separation and are therefore recognized initially at the transaction price determined as per Ind AS 115, "Revenue from Contracts with Customers".

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in two categories:

- Debt instruments at amortised cost
- Equity instruments

##### **Debt instruments at amortised cost**

'Financial asset' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade receivables.

##### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination

# Notes Forming Part of the Standalone Financial Statements

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to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value.

The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in P & L.

## Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. Removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) The Company has transferred substantially all the risks and rewards of the asset, or (b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of

the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

## Impairment of financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss.

The Company follows "Simplified approach" for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected under the head 'other expenses.'

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(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## Financial liabilities

### Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

#### Loans and borrowings

This is the category most relevant to the Company.

Borrowings are initially recognized at fair value, net of transaction costs incurred.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method and, thereby, any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the standalone statement of Profit and Loss over the period of the borrowings.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities at FVTPL primarily comprise derivative financial instruments entered into by the Company and not designated as hedging instruments in a hedging relationship as defined by Ind AS 109.

Gains or losses on such financial liabilities are recognised in the standalone statement of Profit and Loss.

The Company has not designated any financial liability as FVTPL.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### Cash and cash equivalents:

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks that are readily convertible into cash which are subject to insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. For this

purpose, "short-term" means investments having original maturities of three months or less from the date of investment. Bank overdrafts which are repayable on demand and form an integral part of the Company's cash management and are included as a component of cash and cash equivalents for the purpose of the standalone statement of cash flows.

### Corporate Financial Guarantee:

The Company provides corporate financial guarantees to banks and financial institutions on behalf of its subsidiaries. These guarantees are accounted for in accordance with the principles laid down in Ind AS 109 – Financial Instruments and Ind AS 110 – Consolidated Financial Statements.

At initial recognition, the fair value of the guarantee is determined based on the prevailing market fee for such financial instruments. The difference between the fair value of the guarantee and the consideration charged to the subsidiary is considered as an additional deemed investment in the subsidiary. Subsequently, the financial guarantee contract is measured at the higher of the amount of loss allowance and the amount initially recognized less cumulative income recognized.

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 3.14 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

## 3.15 Investments in subsidiaries

Investments in subsidiaries, joint ventures and associate are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, joint ventures and associate, the difference between net disposal proceeds and the carrying amounts are recognised in the standalone statement of Profit and Loss.

## 3.16 Finance cost

Finance costs consist of interest expense on loans and borrowings. Borrowing costs are recognised in the standalone statement of Profit and Loss using the effective interest method unless capitalisation criteria are met as per accounting policy on Property, plant and equipment. The associated cash flows are classified as financing activities in the statement of cash flows.

Foreign currency gains and losses are reported on a net basis within other income and other expenses. These primarily include: exchange differences arising on the settlement or translation of monetary items.

## 3.17 Recent pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. MCA has notified following amendments:

- 1) During the year ended March 31, 2025, MCA has notified Ind AS 117 - Insurance Contracts and amendments to Ind As 116 – Leases, relating to sale and lease back transactions, applicable from April 1, 2024. The Company has assessed that there is no significant impact on its financial statements.
- 2) Ind AS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information to enable understand the impact on the entity's financial performance, financial position and cash flows. The amendments are effective for annual reporting periods beginning on or after April 01, 2025. When applying the amendments, an entity cannot restate comparative information. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact on its financial statements

# Notes Forming part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 4 (a) Property, plant and equipment

Particulars	Free hold land	Building	Plant & machinery	Testing tools & instruments	Electrical fittings	Computers equipment	Office equipment	Furniture & fixtures	Vehicles	Total
<b>Cost</b>										
<b>As at 1 April 2023</b>	150.85	1,376.95	343.27	12,802.54	60.21	541.81	71.01	132.30	363.02	15,841.97
Additions	1,025.44	102.78	31.35	3,247.66	-	41.29	14.33	21.72	165.48	4,650.04
Deletions	-	-	-	-	-	448.32	40.81	-	-	489.14
<b>As at 31 March 2024</b>	<b>1,176.29</b>	<b>1,479.73</b>	<b>374.62</b>	<b>16,050.20</b>	<b>60.21</b>	<b>134.77</b>	<b>44.53</b>	<b>154.03</b>	<b>528.50</b>	<b>20,002.88</b>
<b>As at 1 April 2024</b>	1,176.29	1,479.73	374.62	16,050.20	60.21	134.77	44.53	154.03	528.50	20,002.88
Additions	1,067.98	10.47	192.39	3,101.31	-	6.38	11.40	6.09	58.70	4,454.72
Deletions	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2025</b>	<b>2,244.27</b>	<b>1,490.20</b>	<b>567.01</b>	<b>19,151.51</b>	<b>60.21</b>	<b>141.15</b>	<b>55.93</b>	<b>160.11</b>	<b>587.20</b>	<b>24,457.58</b>
<b>Accumulated depreciation</b>										
<b>As at 1 April 2023</b>	-	616.71	241.35	3,697.88	52.82	521.10	61.40	95.39	125.84	5,412.49
Charge for the year	-	31.69	11.94	954.72	2.51	15.91	4.89	6.34	48.49	1,076.49
Adjustments	-	-	-	-	-	448.32	40.81	-	-	489.14
<b>As at 31 March 2024</b>	-	<b>648.40</b>	<b>253.29</b>	<b>4,652.60</b>	<b>55.33</b>	<b>88.69</b>	<b>25.49</b>	<b>101.73</b>	<b>174.33</b>	<b>5,999.84</b>
<b>As at 1 April 2024</b>	-	<b>648.40</b>	<b>253.29</b>	<b>4,652.60</b>	<b>55.33</b>	<b>88.69</b>	<b>25.49</b>	<b>101.73</b>	<b>174.33</b>	<b>5,999.84</b>
Charge for the year	-	33.44	16.99	1,188.48	1.87	22.72	6.37	7.70	58.24	1,335.82
Adjustments	-	-	-	-	-	-	-	-	-	-
<b>As at 31 March 2025</b>	-	<b>681.84</b>	<b>270.28</b>	<b>5,841.08</b>	<b>57.20</b>	<b>111.41</b>	<b>31.86</b>	<b>109.43</b>	<b>232.57</b>	<b>7,335.66</b>
<b>Net carrying amount</b>										
<b>As at 31 March 2024</b>	<b>1,176.29</b>	<b>831.33</b>	<b>121.33</b>	<b>11,397.60</b>	<b>4.89</b>	<b>46.08</b>	<b>19.04</b>	<b>52.30</b>	<b>354.17</b>	<b>14,003.02</b>
<b>As at 31 March 2025</b>	<b>2,244.27</b>	<b>808.36</b>	<b>296.73</b>	<b>13,310.43</b>	<b>3.01</b>	<b>29.74</b>	<b>24.07</b>	<b>50.68</b>	<b>354.63</b>	<b>17,121.93</b>

### Note:

- (i) All immovable properties are registered in the name of Company and the titles deeds of lands are held in the name of the Company.
- (ii) Depreciation is Calculated as per Straight Line Method based on useful life of assets as stipulated in Schedule-II of the Companies Act, 2013 and disclosed in Note.3.8
- (iii) All Properties Plant and Equipments are under charge created by the company for the loans availed from banks
- (iv) The company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) and intangible assets

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 4 (b) Capital work-in-progress

Particulars	Testing tools and instruments	Civil work in progress	Total
<b>Cost</b>			
<b>As at 1 April 2023</b>	2,489.24	-	2,489.24
Additions	2,978.83	96.76	3,075.59
Deletions	3,167.08	-	3,167.08
<b>As at 31 March 2024</b>	<b>2,300.99</b>	<b>96.76</b>	<b>2,397.75</b>
<b>As at 1 April 2024</b>	<b>2,300.99</b>	<b>96.76</b>	<b>2,397.75</b>
Additions	3,352.30	3,175.74	6,528.04
Deletions	3,052.31	-	3,052.31
<b>As at 31 March 2025</b>	<b>2,600.98</b>	<b>3,272.50</b>	<b>5,873.48</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2023</b>	-	-	-
Charge for the year	-	-	-
Adjustments	-	-	-
<b>As at 31 March 2024</b>	-	-	-
<b>As at 1 April 2024</b>	-	-	-
Charge for the year	-	-	-
Adjustments	-	-	-
<b>As at 31 March 2025</b>	-	-	-
<b>Net carrying amount</b>			
As at 31 March 2024	2,300.99	96.76	2,397.75
<b>As at 31 March 2025</b>	<b>2,600.98</b>	<b>3,272.50</b>	<b>5,873.48</b>

Refer table below for CWIP ageing.

Capital Work in Progress (CWIP) ageing schedule

### 1 Ageing details for Capital Work in Progress as on 31 March 2025

Particulars	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Projects in progress	5,776.72	96.76	-	-	5,873.48
Projects temporarily suspended	-	-	-	-	-

### Ageing details for Capital Work in Progress as on 31 March 2024

Particulars	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Projects in progress	2,397.75	-	-	-	2,397.75
Projects temporarily suspended	-	-	-	-	-

2 There are no projects as capital work in progress, as at 31 March 2025 and 31 March 2024 whose completion is overdue or cost of which has exceeded in comparison to its original plan

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

- 3 The Company has made specific borrowings for construction of a qualifying asset, the Company has capitalised an amount of Rs. 433.44 lakhs (previous year ₹ 84.90 lakhs) borrowing costs on account of construction of building and other manufacturing facility at an average rate of borrowings of 10.18% (previous year 5.84%) for the Company in terms of Ind AS 23 'Borrowing Costs'.

### 4 (c) Right-to-use assets

The Company has lease contracts for various items of property, plant and equipment used in its operations. Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	Plant and equipment	Computers	Total
<b>Cost</b>			
<b>As at 1 April 2023</b>	131.41	-	131.41
Additions	100.75	-	100.75
Deletions	-	-	-
<b>As at 31 March 2024</b>	<b>232.16</b>	<b>-</b>	<b>232.16</b>
<b>As at 1 April 2024</b>	232.16	-	232.16
Additions	365.92	27.22	393.14
Deletions	-	-	-
<b>As at 31 March 2025</b>	<b>598.08</b>	<b>27.22</b>	<b>625.30</b>
<b>Accumulated depreciation</b>			
<b>As at 1 April 2023</b>	13.14	-	13.14
Charge for the year	41.08	-	41.08
Adjustments	-	-	-
<b>As at 31 March 2024</b>	<b>54.22</b>	<b>-</b>	<b>54.22</b>
<b>As at 1 April 2024</b>	54.22	-	54.22
Charge for the year	102.56	6.80	109.36
Adjustments	-	-	-
<b>As at 31 March 2025</b>	<b>156.78</b>	<b>6.80</b>	<b>163.58</b>
<b>Net carrying amount</b>			
As at 31 March 2024	177.94	-	177.94
<b>As at 31 March 2025</b>	<b>263.36</b>	<b>20.42</b>	<b>461.72</b>

The following are the amounts recognised in the statement of profit and loss:

	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use assets	109.36	41.08
Interest expense on lease liabilities	33.41	7.74
Expenses related to short term leases	18.29	27.31
	<b>161.06</b>	<b>76.13</b>

The Company had total cash outflows for leases (excluding short term leases) of Rs.127.67 lakhs and Rs.43.98 lakhs during the year ended March 31, 2025 and March 31, 2024, respectively. The maturity analysis of lease liabilities is disclosed in note 41 of these financial statements.

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 4 (d) Intangible assets

Particulars	Amount ₹
<b>Cost</b>	
<b>As at 1 April 2023</b>	33.38
Additions	183.42
Deletions	-
<b>As at 31 March 2024</b>	<b>216.80</b>
<b>As at 1 April 2024</b>	<b>216.80</b>
Additions	402.69
Deletions	-
<b>As at 31 March 2025</b>	<b>619.49</b>
<b>Accumulated Ammortization</b>	
<b>As at 1 April 2023</b>	21.72
Charge for the year	11.99
Adjustments	-
<b>As at 31 March 2024</b>	<b>33.71</b>
<b>As at 1 April 2024</b>	<b>33.71</b>
Charge for the year	86.76
Adjustments	-
<b>As at 31 March 2025</b>	<b>120.48</b>
<b>Net carrying amount</b>	
At April 1, 2020	11.66
As at 31 March 2024	183.09
<b>As at 31 March 2025</b>	<b>499.01</b>

## 5 Non-current assets

(i) Investments at carrying cost

	As at 31 March 2025	As at 31 March 2024
<b>Investments in equity instruments: (Unquoted), fully paid up</b>		
Investment in equity shares of subsidiaries:		
2,10,940 (As on 31 March 2024: 2,10,940) Equity shares of ₹.10 each in Ananya SIP RF Technologies Private Limited	132.89	132.89
7,600 (As on 31 March 2024: 7,600) Equity shares of ₹.10 each in Apollo Defence Industries Private Limited	0.76	0.76
Deemed investment in Apollo Defence Industries Private Limited (subsidiary) on account of corporate financial guarantee (see note 47)	60.00	-
	<b>193.65</b>	<b>133.65</b>
Note:		
i) Aggregate carrying value of unquoted investments	193.65	133.65
ii) Aggregate amount of impairment in value of investments	-	-

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

(ii) Loans:

	As at 31 March 2025	As at 31 March 2024
<b>Unsecured, considered good</b>		
<b>Loan to related parties</b>		
Loan to subsidiary (refer note below)	1,786.61	976.26
<b>Other loans</b>		
Loans to employees	40.48	25.13
	<b>1,827.09</b>	<b>1,001.39</b>

i) The above loan carries an interest rate of 11.70% per annum and interest is payable on quarterly basis with no stipulated repayment period.

(iii) Other financial assets:

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good for related parties:		
Finance corporate guarantee commission	40.00	-
others:		
Security deposits	705.25	697.58
	<b>745.25</b>	<b>697.58</b>

### 6 Other non-current assets

	As at 31 March 2025	As at 31 March 2024
Capital advances	529.34	186.76
Advance other than capital advances:		
- Security deposits	63.54	32.71
	<b>592.88</b>	<b>219.47</b>

### 7 Inventories

	As at 31 March 2025	As at 31 March 2024
Raw material	33,679.27	20,842.06
Work in progress	26,356.93	21,898.60
Finished goods	22.63	610.43
	<b>60,058.83</b>	<b>43,351.10</b>
- Carrying amount of inventories pledged as security for borrowings	45,044.13	32,513.33
- The write-down of inventories to net realisable value during the year amounted to Rs.Nil (31 March 2024: Rs.Nil)		

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 8 Trade receivables

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good	23,843.26	23,527.17
Less: Allowance for expected credit loss	(10.31)	-
	<b>23,832.95</b>	<b>23,527.17</b>

The average credit period on sales is 90 days. No interest is charged on trade receivables even after credit period.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Expected credit loss:

Ageing	Expected credit loss (%)
With credit period	0.00%
91-180 days past due	0.00%
More than 180 days past due	0.19%

Age of receivables	As at 31.03.2025	As at 31.03.2024
With credit period	11,319.04	12,367.45
91-180 days past due	7,131.92	6,054.09
More than 180 days past due	5,381.99	5,105.63
<b>Total</b>	<b>23,832.95</b>	<b>23,527.17</b>

Movement in the expected credit loss allowance

Particulars	As at 31.03.2025	As at 31.03.2024
Balance at beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(10.31)	-
Balance at end of the year	(10.31)	-

### Note:

- (i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Neither any trade nor other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (ii) Trade receivables are non-interest bearing and generally on term of respective contracts.

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Trade receivable ageing

As at 31 March 2025

Particulars	Not due	< 6 month	6 month-1 Year	1-2 Years	2-3 Years	> 3year	Total
(i) Undisputed trade receivables							
- considered good	11,319.04	7,131.92	2,455.18	174.42	22.75	2,729.64	23,832.95
- considered doubtful	-	-	-	-	-	-	-
(ii) Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>11,319.04</b>	<b>7,131.92</b>	<b>2,455.18</b>	<b>174.42</b>	<b>22.75</b>	<b>2,729.64</b>	<b>23,832.95</b>

As at 31 March 2024

Particulars	Not due	< 6 month	6 month-1 Year	1-2 Years	2-3 Years	> 3year	Total
(i) Undisputed trade receivables							
- considered good	12,367.45	6,054.09	834.30	1,046.38	85.53	3,139.42	23,527.17
- considered doubtful	-	-	-	-	-	-	-
(ii) Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	-	-
<b>Total</b>	<b>12,367.45</b>	<b>6,054.09</b>	<b>834.30</b>	<b>1,046.38</b>	<b>85.53</b>	<b>3,139.42</b>	<b>23,527.17</b>

### 9 Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Balances with banks:		
- in current accounts	5.62	10.74
Cash on hand	15.96	7.91
	<b>21.58</b>	<b>18.65</b>

### 10 Other bank balances

	As at 31 March 2025	As at 31 March 2024
Term deposits with Banks (original maturities of more than 3 months and less than 1 year)*	2,218.89	2,053.09
<b>Earmarked balances with banks:</b>		
Unpaid dividend account (Restricted balances)	2.00	1.51
	<b>2,220.89</b>	<b>2,054.59</b>

\*Represents margin money deposits against bank guarantees and letter of credits.

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 11 Loans

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good unless otherwise stated		
Demand loan to others	807.30	719.44
Less: Expected credit loss	(37.99)	-
	<b>769.32</b>	<b>719.44</b>

## 12 Other current assets

	As at 31 March 2025	As at 31 March 2024
Unsecured, considered good		
Other advances		
- For materials	9,540.14	5,614.82
- For expenses	50.05	38.78
- Employee advances	14.40	5.06
- Others	39.65	94.55
Prepaid expenses	240.64	198.82
Receivable from statutory authorities	2,099.25	1,052.41
Accrued interest and other receivables	1.06	0.67
Finance Guarantee commission receivable	20.00	-
	<b>12,005.19</b>	<b>7,005.11</b>

## 13 Share capital

	As at 31 March 2025	As at 31 March 2024
<b>Authorised</b>		
45,00,00,000 (March 31, 2024: 36,00,00,000) equity shares of ₹ 1 each	4,500.00	3,600.00
<b>Issued, subscribed and fully paid-up</b>		
30,64,89,560 (March 31, 2024: 28,23,58,860) equity shares of ₹ 1 each fully paid-up	3,064.90	2,823.59
<b>Total</b>	<b>3,064.90</b>	<b>2,823.59</b>

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	For the year ended			
	31-03-2025		31-03-2024	
	No. of equity shares (Face Value ₹ 1/-)	Amount ₹	No. of equity shares (Face Value ₹ 1/-)	Amount ₹
Outstanding at the Beginning of the year	28,23,58,860	2,823.59	20,76,38,860	2,076.39
Add:				
i) Issued during the year	-	-	-	-
ii) Conversion of warrants	2,41,30,700	241.31	7,47,20,000	747.20
At the end of the year	30,64,89,560	3,064.90	28,23,58,860	2,823.59

(b) Terms / rights attached to the equity shares

Rights, preferences and restrictions attached to equity shares having face value of ₹1 each. Each shareholder is eligible for one vote per share held and each share carries a right to dividend. The dividend proposed by the Board of Directors is subject to approval by the shareholders at the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the residual assets of the Company after distribution of all preferential amounts in the proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at		As at	
	31-03-2025		31-03-2024	
	No. of equity shares held	% holding in the class	No. of equity shares held	% holding in the class
Baddam Karunakar Reddy	16,89,22,900	55.12%	15,02,56,900	53.21%
Nexpact Limited	-	-	1,90,00,000	6.73%

(d) Details of Shares held by promoters

Name	As at 31 March 2025				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Baddam Karunakar Reddy	15,02,56,900	1,86,66,000	16,89,22,900	55.12%	3.57
Srilakshmi Reddy Vangeti	100	-	100	0.00%	-
<b>Total</b>	15,02,57,000		16,89,23,000		

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Name	As at 31 March 2024				
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Baddam Karunakar Reddy	12,27,16,900	2,75,40,000	15,02,56,900	53.21%	(9.96)
Srilakshmi Reddy Vangeti	100	-	100	0.00%	-
<b>Total</b>	<b>12,27,17,000</b>		<b>15,02,57,000</b>		

e) Dividend declared and paid

Particulars	31 March 2025	31 March 2024
During the FY 2024-25: Company declared a final dividend of ₹.0.05 per share, approved by its shareholders in Annual General Meeting held on 27 September 2024 for the year ended 31.03.2024 and dividend also paid during the year.	153.25	
During the FY 2023-24: Company declared a final dividend of ₹.0.025 per share, approved by its shareholders in Annual General Meeting held on 29 September 2023 for the year ended 31.03.2023 and dividend also paid during the year.		58.24

- f) The company has issued 98,85,070 warrants in FY 2023-24 which are fully convertible in to equal number of equity shares, how ever there were no warrants are outstanding for conversion as on 31 March 2025.
- g) Equity shares issued during the year: The Company has issued 2,41,30,700 equity shares of ₹1 each upon conversion of warrants, at a premium of Rs.17.60 by way of preferential allotment during the financials year 2024-25.
- h) No claim of shares have been bought back/issued as a bonus shares by the Company during the period of five years immediately preceding the current year end.

## 14 Other equity

	As at 31 March 2025	As at 31 March 2024
<b>Securities premium</b>		
Balance as at the beginning of the year	29,688.29	16,537.57
Add: Premium on fresh issue	4,247.00	13,150.72
Balance at the end of the year	<b>33,935.29</b>	<b>29,688.29</b>
<b>Retained earnings</b>		
Balance as at the beginning of the year	18,250.78	15,142.12
Add: Profit for the year	5,724.16	3,166.90
Less: Dividend paid during the year	(153.25)	(58.24)
Balance at the end of the year	<b>23,821.69</b>	<b>18,250.78</b>

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

	As at 31 March 2025	As at 31 March 2024
<b>Other comprehensive income</b>		
Balance as at the beginning of the year	54.25	28.56
Add: Actuarial gain/(loss) recognised	(14.25)	25.69
<b>Balance at the end of the year</b>	<b>40.00</b>	<b>54.25</b>
<b>Money received against share warrants</b>		
Balance as at the beginning of the year	1,122.08	4,596.56
Add: Warrants issued	3,366.23	10,423.44
Less: warrants converted in to equity	(4,488.31)	(13,897.92)
<b>Balance at the end of the year</b>	<b>-</b>	<b>1,122.08</b>
<b>Total other equity</b>	<b>57,796.99</b>	<b>49,115.39</b>

## Note:

- Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.
- Retained earnings represent prior years undistributed earnings after taxes.
- Other comprehensive income: 'Remeasurement of defined benefit obligations represents the actuarial gain/(loss) recognised on the defined benefit liabilities and will not be reclassified to retained earnings.
- Money received against share warrants: 'Represents the amounts received by the Company for issuance of share warrants.

## 15 Borrowings

- Non-current borrowings

Particulars	31 March 2025	31 March 2024
<b>Secured:</b>		
<b>From Banks</b> (refer note (i) below)		
Vehicle loans	127.41	152.48
Term loans	3,377.73	-
<b>From others</b>		
Inter corporate loans (refer note (ii) below)		-
Vehicle loans	21.39	31.19
Term loans	294.60	760.05
	<b>3,821.13</b>	<b>943.72</b>

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## Notes:

### (i) Vehicle Loans:

Lender	Interest rate p.a	Tenure	Outstanding as at 31.03.2025	Outstanding as at 31.03.2024
HDFC Bank Limited	9.50 to 12.05%	36-60 instalments	112.50	152.48
Indian Overseas Bank	9.05%	84 instalments	14.91	-
<b>Term loans:</b>				
State Bank of India	10.30%	27 Quarterly instalments from 28.02.2026	2,969.82	-
Indian Overseas Bank (loan taken for R &D expenditure)	13.10%	36 instalments	157.49	-
Indian Overseas Bank (loan taken for Building)	10.25%	108 instalments	250.41	-

### (ii) Inter corporate loans:

Lender	Interest rate p.a	Tenure	Outstanding as at 31.03.2025	Outstanding as at 31.03.2024
BMW India Financial Services Pvt Ltd	9.25%	48 instalments	21.39	31.19
Bajaj Finance Limited	10.75%	36 instalments	294.60	760.05

- (a) The above loans is secured by hypothecation of the vehicle/machinery for which the loan was taken.
- (b) The above loans including Letter of Credit and Bank Guarantees repayable on demand and Secured by hypothecation of inventories, and book debts ranking pari passu with loans from SBI, HDFC Bank, Indian overseas Bank and other Intercompany loan Equitable Mortgage of factory land and building. The Loans are further secured by personal guarantee of managing director in his individual capacity.
- (c) There is no default as at 31st March 2025 and 31st March 2024, in repayment of loans and interest payments.

### Reconciliation of liabilities arising from financing activities

#### non-current borrowings

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance at the beginning of the year	943.72	102.76
Borrowings during the year	3,870.42	1,629.61
Borrowings repaid during the year	(993.02)	(788.64)
<b>Closing balance at the end of the year</b>	<b>3,821.13</b>	<b>943.72</b>

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

### (b) Current borrowings

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Secured,</b>		
<b>From Banks (Repayable on demand or over draft from)</b>		
- State Bank of India	9,255.19	6,012.19
- HDFC Bank	12,100.84	9,949.49
<b>From others (refer note below)</b>		
- National Small Industries Corporation	469.66	491.06
- Intercorporate loans	2,400.00	2,400.00
- Current maturities of long-term debts	1,022.38	807.93
<b>Total current borrowings</b>	<b>25,248.08</b>	<b>19,660.67</b>

Notes: Loans repayable on demand:

Name of the Bank	Rate of interest	Nature
State Bank of India	11.70%	Overdraft
HDFC Bank	10.70%	Overdraft
<b>Inter corporate loans:</b>		
Bajaj Finance Ltd	10.60%	Overdraft
National Small Industries Corporation	9.00%	Raw material assistance

The above loans including Letter of Credit and Bank Guarantees repayable on demand and Secured by hypothecation of inventories, and book debts ranking pari passu with loans from SBI, HDFC Bank and other Intercorporate loan Equitable Mortgage of factory land and building. The Loans are further secured by personal guarantee of managing director in his individual capacity.

### Reconciliation of liabilities arising from financing activities

#### Current borrowings

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance at the beginning of the year	19,660.67	14,145.60
Borrowings during the year (net)	5,587.41	5,515.07
<b>Closing balance at the end of the year</b>	<b>25,248.08</b>	<b>19,660.67</b>

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 16 Lease liabilities

	As at 31 March 2025	As at 31 March 2024
Lease liabilities:		
(a) Non-current	269.13	105.19
	<b>269.13</b>	<b>105.19</b>
(b) Current	189.31	71.44
	<b>189.31</b>	<b>71.44</b>
(for disclosure information please refer note 40)	<b>458.44</b>	<b>176.63</b>

Reconciliation of liabilities arising from financing activities

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance at the beginning of the year	176.63	113.44
Recognition of right-of-use liability during the year	376.07	99.43
Interest on Lease liabilities	33.41	7.74
Payment of principal portion of lease liabilities	(127.67)	(43.98)
<b>Closing balance at the end of the year</b>	<b>458.44</b>	<b>176.63</b>

## Other non-current liabilities

## 17 Other financial liabilities

	As at 31 March 2025	As at 31 March 2024
Deferred financial guarantee commission (refer note 47)	120.00	-
	<b>120.00</b>	<b>-</b>

## 18 Provisions

	As at 31 March 2025	As at 31 March 2024
<b>(a) Non-current</b>		
Provision for employee benefits		
- Gratuity (refer Note 38)	149.60	109.16
- Compensated absences	14.84	1.39
	<b>164.44</b>	<b>110.55</b>
<b>(b) Current</b>		
Provision for employee benefits		
- Gratuity (refer Note 38)	35.01	22.17
- Compensated absences	4.51	1.52
	<b>39.51</b>	<b>23.69</b>

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

### 19 (a) Deferred tax liabilities (net)

Particulars	As at 31 March 2025	As at 31 March 2024
Analysis of deferred tax asset/(liabilities) (see note (b) below)		
Deferred tax liabilities	4,116.79	3,396.07
Deferred tax assets	(42.98)	(28.52)
Deferred tax liability (net)	<b>4,073.81</b>	<b>3,367.55</b>

(b) The balance comprises temporary differences attributable to:

Particulars	As at 1 April 2024	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31 March 2025
Difference between tax base and books base:				
- Property, plant & equipment	3,396.07	720.72	-	4,116.79
- Employee benefits, others	(28.52)	(8.59)	(5.85)	(42.98)
<b>Total</b>	<b>3367.55</b>	<b>712.13</b>	<b>(5.85)</b>	<b>4,073.81</b>

Particulars	As at 1 April 2023	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31 March 2024
Difference between tax base and books base:				
- Property, plant & equipment	2,692.82	703.25	-	3,396.07
- Employee benefits, others	(42.15)	3.07	10.56	(28.52)
<b>Total</b>	<b>2650.67</b>	<b>706.31</b>	<b>10.56</b>	<b>3,367.55</b>

### 20 Trade payables

	As at 31 March 2025	As at 31 March 2024
Trade payables		
- Dues of micro enterprises and small enterprises (MSME) (refer Note 39)	-	-
- Dues of other than micro enterprises and small enterprises (others)	27,988.00	16,896.51
	<b>27,988.00</b>	<b>16,896.51</b>

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Trade payables ageing schedule

As at 31 March 2025

Particulars	Not due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME	-	-	-	-	-	-
(ii) - Others	23,692.15	3,986.83	241.18	67.84	-	27,988.00
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) - Others	-	-	-	-	-	-
<b>Total</b>	<b>23,692.15</b>	<b>3,986.83</b>	<b>241.18</b>	<b>67.84</b>	<b>-</b>	<b>27,988.00</b>

As at 31 March 2024

Particulars	Not due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME	-	-	-	-	-	-
(ii) - Others	16,499.62	62.00	179.70	33.97	121.21	16,896.51
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) - Others	-	-	-	-	-	-
<b>Total</b>	<b>16,499.62</b>	<b>62.00</b>	<b>179.70</b>	<b>33.97</b>	<b>121.21</b>	<b>16,896.51</b>

## 21 Other financial liabilities

	As at 31 March 2025	As at 31 March 2024
Creditors for capital goods	284.22	103.87
Employee related payables	167.10	141.92
Provision for expenses	87.82	52.88
Unpaid dividend	2.00	1.51
	<b>541.15</b>	<b>300.18</b>

## 22 Other liabilities

	As at 31 March 2025	As at 31 March 2024
<b>Current</b>		
Advance from customers*	653.29	1,077.02
Statutory deductions pending for payment	119.45	107.92
	<b>772.75</b>	<b>1,184.94</b>

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Movement of Contract liabilities:

	As at 31 March 2025	As at 31 March 2024
<b>Opening contract liabilities</b>	<b>1,222.90</b>	<b>592.84</b>
Add: Amount received in advance	653.29	1,222.90
Less: Amount refunded to customers	-	-
Less: Revenue recognized	1,222.90	592.84
<b>Closing contract liabilities</b>	<b>653.29</b>	<b>1,222.90</b>

\* Advance from customers represent payments received for products to be delivered within the next 12 months. Revenue is recognized upon delivery of products to customers.

## 23 Current tax liabilities

	As at 31 March 2025	As at 31 March 2024
Current		
Provision for income tax	1,891.01	642.97
Pertaining to earlier years	243.56	243.56
	<b>2,134.57</b>	<b>886.53</b>

## 24 Revenue from operations

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of products	55,559.86	35,702.93
Sale of services	647.06	1,460.49
	<b>56,206.92</b>	<b>37,163.42</b>

(For other disclosures refer Note No.45)

## 25 Other income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on term deposits and loans	374.41	263.13
Recoveries from amounts previously consider non-recoverable	15.59	-
Liabilities no longer required written back	14.03	-
Rental income	0.80	0.25
	<b>404.83</b>	<b>263.38</b>

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 26 Cost of materials consumed

	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Raw materials</b>		
Opening stock	20,842.06	14,118.71
Add: Purchases	55,418.58	34,362.18
Add: directly attributable to costs	985.77	680.55
	<b>77,246.41</b>	<b>49,161.44</b>
Less : Closing stock	33,679.27	20,842.06
Cost of materials consumed	<b>43,567.13</b>	<b>28,319.38</b>

## 27 Changes in inventories of finished goods and work in progress

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Closing stock</b>		
Finished goods	22.63	610.43
Work in process	26,356.93	21,898.60
<b>Total (A)</b>	<b>26,379.56</b>	<b>22,509.04</b>
<b>Opening stock</b>		
Finished goods	610.43	1,594.75
Work in process	21,898.60	18,439.50
<b>Total (B)</b>	<b>22,509.04</b>	<b>20,034.25</b>
<b>(Increase)/Decrease in inventories of finished goods and work in progress (B)-(A)</b>	<b>(3,870.53)</b>	<b>(2,474.78)</b>

## 28 Employee benefits expense

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries and wages	1,651.64	1,292.08
Contribution to provident and other funds	89.23	71.27
Gratuity expense (refer note no.38)	33.05	29.89
Managerial remuneration	227.93	228.00
Directors sitting fee	6.40	7.20
Staff welfare expenses	175.19	60.09
	<b>2,183.45</b>	<b>1,688.53</b>

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 29 Depreciation and amortization expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation of property plant & equipment (refer Note 4 (a))	1,335.82	1,076.49
Depreciation on Right-of-use assets (refer Note 4 (c))	109.36	41.08
Amortisation of Intangible Assets (refer Note 4(d))	86.76	11.99
	<b>1,531.94</b>	<b>1,129.56</b>

## 30 Finance costs

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Interest on</b>		
Vehicle loans	47.68	21.62
Working capital loans	2,000.71	1,462.54
Bank charges and commissions	1,332.55	1,538.25
Interest expense on lease liabilities	33.41	7.74
	<b>3,414.35</b>	<b>3,030.15</b>

## 31 Other expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Business development expenses	92.97	43.02
Professional and consultancy charges	322.12	375.25
Travel and conveyance	307.31	270.73
Power and fuel	71.03	65.39
Rent (refer note 40)	18.29	27.31
Insurance	95.55	80.34
Office maintenance	88.74	30.34
Repairs and maintenance	62.58	77.33
Printing and stationery	26.36	34.85
Communication expenses	14.70	14.46
Advertisement	13.70	3.63
Late delivery charges	28.12	109.13
Audit fees (refer note 36)	13.65	8.60
Rates and taxes	22.87	8.87
Corporate social responsibility expenses (refer note.37)	100.00	43.41
Security charges	9.54	7.28
Donations	2.35	26.93
Loss on foreign currency transactions (net)	63.01	17.18
Expected credit loss on trade receivables	52.08	-
	<b>1,404.97</b>	<b>1,244.05</b>

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 32 Tax expenses

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Income tax expense</b>		
Current tax on profits for the year	1,891.01	642.97
Earlier year tax adjustment	53.13	(26.27)
<b>Total current tax expenses (A)</b>	<b>1,944.14</b>	<b>616.70</b>
<b>B. Deferred tax</b>		
Decrease/(Increase) in deferred tax assets	(20.30)	3.07
(Decrease)/Increase in deferred tax liabilities	726.57	713.80
<b>Total deferred tax expense/(benefit) (B)</b>	<b>706.28</b>	<b>716.87</b>
<b>C. Recognised in Other comprehensive income</b>	5.85	(10.56)
<b>Income tax expenses (A+B+C)</b>	<b>2,656.27</b>	<b>1,323.01</b>

Reconciliation of effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before taxes	8,380.43	4,489.91
Exceptional items	-	-
<b>(A) Total net profit before tax</b>	<b>8,380.43</b>	<b>4,489.91</b>
<b>(B) Applicable tax rate under normal provisions</b>	29.12%	29.12%
<b>(C) Tax payable under provisions as per applicable rate = (A*B)</b>	2,440.38	1,307.46
<b>(D) Increase/decrease in tax on account of :</b>		
Depreciation as per books	446.10	328.93
Depreciation as per Income tax act, 1961	(196.49)	(175.30)
Others items	(33.72)	(138.08)
<b>Total of (D)</b>	<b>215.89</b>	<b>15.55</b>
<b>Tax as per normal provision under Income tax (C+D)</b>	<b>2,656.28</b>	<b>1,323.01</b>
<b>Effective tax rate in %</b>	<b>31.70</b>	<b>29.47</b>

The Company's average effective tax rate for the year ended 31 March 2025 and 31 March 2024 were 31.70% and 29.47% respectively

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 33 Contingent liabilities and commitments (to the extent not provided)

Particulars	As at 31 March 2025	As at 31 March 2024
<b>i) Contingent liabilities:</b>		
(a) Claims against the Company not acknowledged as debts (refer note below (a))	321.44	310.15
(b) Guarantees		
- Outstanding Guarantees and counter guarantees to various Banks, in respect of the guarantees given by those banks in favour of various authorities and others (refer note below (b))	2,304.44	2,470.23
- Corporate Guarantee issued infavour of Apollo Defence Industries Private Limited, Subsidiary Company (refer note 47)	5,000.00	-
<b>ii) Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;		
- At March 31, 2025, the Company has commitments relating to construction of new factory building at Shamshabad.	561.55	-

### Note:

- a) The Company's pending litigations comprise claims against the Company and proceedings pending with Tax / Statutory/ Government Authorities. After review of all its pending litigations and proceedings, the Company has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a material impact on its financial position. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/authorities.
- b) The Company has issued guarantees and counter-guarantees on behalf of its customers in favor of various banks to support the customers' obligations to such banks. These guarantees and counter-guarantees have been provided in the normal course of business and are subject to the terms and conditions agreed with the respective banks.

As of 31 March 2025, the aggregate amount of such outstanding guarantees and counter-guarantees amounted to Rs.2304.44, which represents the maximum potential exposure to the Company under these arrangements. Management believes that the likelihood of any material obligation arising under these guarantees is remote, and accordingly, no provision has been recognized in the financial statements.

These guarantees do not involve the Company in any commitments or contingencies other than those arising in the ordinary course of business.

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

### 34 Related party disclosures

The following are the related parties identified, transactions with such related parties during the year ended 31 March 2025 and balance outstanding as on that date are given below:

List of related parties

Name of the Parties	Relationship
M/s.Ananya SIP RF Technologies Private Limited	Subsidiary company
M/s.Apollo Defence Industries Private Limited	Subsidiary company
M/s.Apollo Strategic Technologies Private Limited	Step-down Subsidiary
M/s.Apollo Food and Beverages Private Limited	Enterprises controlled by KMP
Sri.Baddam Karunakar Reddy	Managing Directors (Key Management Personnel)
Sri.Addepalli Krishna Sai Kumar	Whole-time Director (Key Management Personnel)
Sri.Chiluveru Sudarshan	Chief Financial Officer (Key Management Personnel)
Sri.Chandrapati Venkata Siva Prasad	Whole-time Director (Key Management Personnel)
Mrs.Rukhya Parveen	Company Secretary
Sri.Raghupathy Goud Theegala	Non-executive Director
Mrs.Karunasree Samudrala	Non-executive Director
Sri.Chandrashekar Matham	Non-executive Director

#### Notes:

1. Related parties with whom Company has no transactions during the year are not provide above.
2. As per clause 8 of (general) instructions to Division II of Schedule III to the Companies Act, the above related parties are identified as per the terms and meaning assigned in Ind AS 24 Related Party Disclosures.

#### a. Transactions during the year:

Name of the party	Nature of Transaction	For the year ended March 31, 2025	For the year ended March 31, 2024
Sri.Baddam Karunakar Reddy	Remuneration	180.00	180.00
	Rent	8.40	8.40
	Personal guarantee for loans		
Sri.Addepalli Krishna Sai Kumar	Remuneration	24.00	24.00
Sri.Chiluveru Sudarshan	Remuneration	24.00	20.10
Sri.Chandrapati Venkata Siva Prasad	Remuneration	23.93	24.00
Mrs.Rukhya Parveen	Remuneration	11.08	6.87
Sri.Vitta Chaitanya Siva Shankar	Remuneration	-	1.26
Sri.Raghupathy Goud Theegala	Sitting fees	2.40	3.40
Mrs.Karunasree Samudrala	Sitting fees	2.40	2.60
Sri.Chandrashekar Matham	Sitting fees	1.60	1.20
M/s.Ananya SIP RF Technologies Private Limited	Loans & Advances-net	709.35	391.70
M/s.Ananya SIP RF Technologies Private Limited	Interest received	115.51	80.60
M/s.Ananya SIP RF Technologies Private Limited	Job work charges	26.01	3.90
M/s.Apollo Strategic Technologies Private Limited	Rent received	0.20	-
M/s.Apollo Food and Beverages Private Limited	Advance received for supply	450.00	-
M/s.Apollo Defence Industries Private Limited	Loans & Advances	101.00	-

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Name of the party	Nature of Transaction	For the year ended March 31, 2025	For the year ended March 31, 2024
M/s.Apollo Defence Industries Private Limited	Interest received	0.30	-
M/s.Apollo Defence Industries Private Limited	Rent received	0.60	0.25
M/s.Apollo Defence Industries Private Limited	Deferred Guarantee commission income recognition.	120.00	-
M/s.Apollo Defence Industries Private Limited	Corporate finance Guarantee	5,000.00	-

a) On the equity shares held by the Key management personnel, the Company has paid during the year dividend of ₹85.94 lakhs (2023-24: ₹30.68 lakhs).

b. Outstanding balances:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Rent to Sri. Baddam Karunakar Reddy	4.28	0.72
<b>Remuneration payable to:</b>		
Sri.Baddam Karunakar Reddy	9.17	11.45
Sri.Addepalli Krishna Sai Kumar	1.48	1.98
Sri.Chiluveru Sudarshan	1.48	0.96
Sri.Chandrapati Venkata Siva Prasad	1.55	1.29
Mrs.Rukhya Parveen	0.89	0.62
Sri. Raghupathy Goud Theegala	2.16	3.06
Mrs.Karunasree Samudrala	2.16	2.34
Sri.Chandrashekar Matham	1.44	1.08
M/s.Ananya SIP RF Technologies Private Limited (Loan)	1,685.61	976.26
M/s.Ananya SIP RF Technologies Private Limited (others)	-	3.90
M/s.Apollo Strategic Technologies Private Limited	0.20	-
M/s.Apollo Food and Beverages Private Limited	450.00	-
M/s.Apollo Defence Industries Private Limited (loan)	101.00	-
M/s.Apollo Defence Industries Private Limited (Deferred Guarantee commission income recognised)	120.00	-
M/s.Apollo Defence Industries Private Limited (Corporate finance Guarantee)	5,000.00	-
M/s.Apollo Defence Industries Private Limited (Rent)	0.15	0.10

c. Terms and conditions of transactions with related parties:

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except loan to Subsidiary company.

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

### 35 Segment information

The Company is engaged primarily in the business of manufacturing and sale of Electromechanical components and systems and allied components and services, which constitutes a single reportable segment in accordance with the requirements of Ind AS 108 – Operating Segments. The Chief Operating Decision Maker (CODM) monitors the operating results of the Company as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, no separate segment information is disclosed.

#### Disaggregation of Revenue

Although the Company operates as a single segment, revenue from contracts with customers is disaggregated by product categories and geographical areas as follows:

#### a) Disaggregation by Products/Services

Product/Service Category	For the year ended March 31, 2025	For the year ended March 31, 2024
Electronical components/goods	56,206.92	37,163.42
Others	-	-
<b>Total Revenue</b>	<b>56,206.92</b>	<b>37,163.42</b>

#### b) Disaggregation by Geographical Areas

Geography	For the year ended March 31, 2025	For the year ended March 31, 2024
Domestic (India)	56,206.92	37,163.42
Export (outside India)	-	-
<b>Total Revenue</b>	<b>56,206.92</b>	<b>37,163.42</b>

### 36 Payment to auditors

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Statutory audit fee	10.00	6.50
Tax Audit fee	3.00	1.00
Certification fee	0.65	1.10
<b>Total</b>	<b>13.65</b>	<b>8.60</b>

### 37 Corporate Social Responsibility(CSR) expenses :

The Company is covered by provisions of Section 135 of Companies Act, 2013 to spend 2% of Average net profits towards CSR. The details of CSR are furnished below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
1 Amount required to be spent by the Company during the year	63.06	42.77
2 Amount incurred	-	-
(a) CSR expenditure:		
(i) Construction/acquisition of asset		

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(ii) For purposes other than (i) above	100.00	43.00
(b) CSR expenditure for 'Ongoing Projects	-	0.41
(c) Total CSR expenditure incurred during the year	100.00	43.41
3 Excess/(shortfall) at the end of the year {2(c) -1}	36.94	0.64
4 Previous years excess/(shortfall)	0.23	(0.41)
5 Total excess/(shortfall)	37.17	0.23
6 Reasons for shortfall	NA	NA
7 Details of Related party transactions	Nil	Nil
8 Provisions made with respect to a liability incurred by entering into a contractual obligation and movement in provisions thereon	NA	NA
9 Details showing activity wise CSR expenditure		
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care	100.00	43.00
Promotion of education (ongoing project)	-	0.41
<b>Total</b>	<b>100.00</b>	<b>43.41</b>

## 38 Employee benefits

### A) Defined contribution plan

Employees Contribution to provident fund and employees state insurance (ESI) are recognised as expenditure in statement of profit and loss account, as they are incurred, there are no other obligation other than the contribution payable to aforesaid respective Trust/Government Authorities.

### B) Defined benefit plan

The Company's obligation towards the Gratuity (LIC) is a defined benefit plan and is funded with Life Insurance Corporation of India. The following table sets out the funded status of the defined benefit scheme and the amount recognised in financial statements as per Actuarial Valuation.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Changes in present value of obligations</b>		
Present value at the beginning of the year	140.29	143.01
Interest cost	9.68	10.58
Current Service Cost	23.66	19.73
Cost PSC - Vested	-	-
Benefits paid	(7.76)	-
Actuarial (gain)/loss on obligations	20.05	(33.03)
Present value at the end of the year	185.91	140.29
<b>Changes in fair value of planned assets</b>		
Fair value of plan assets at the beginning of the year	8.96	3.61
Acquisition adjustments	(2.28)	(0.03)
Expected return on plan assets	0.28	0.45
Contributions	2.15	5.00
Benefits paid	(7.76)	-

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Actuarial (gain)/loss on planned assets	(0.05)	(0.07)
Fair value of plan assets at the end of the year	1.30	8.96
<b>Amount recognized in the balance sheet</b>		
Present value of obligations as at the end of year	185.91	140.29
Fair value of plan assets as at the end of year	(1.30)	(8.96)
Net asset/(liability) recognized in balance sheet	184.61	131.33
<b>Expenses recognized in Statement of Profit and Loss</b>		
Current service cost	23.66	19.73
Interest cost	9.68	10.58
Expected return on plan assets	(0.28)	(0.42)
Total Actuarial Gain/Loss.	33.05	29.89
<b>Amount recognized in Other Comprehensive income</b>		
Actuarial (gain)/ loss on obligations	20.05	(36.33)
Actuarial (gain)/loss - plan assets	0.05	0.07
Actuarial (gain)/loss recognized in the year	20.10	(36.25)

(i) **Regulatory Framework in which Plan operates:**

The payment of Benefit is governed by the Provisions of Life Insurance Corporation. (Further details for disclosure to be decided by the LIC)

(ii) **Entity's Responsibilities for Governance:** All monetary amounts are in Indian Rupees (in lakhs) (INR), unless mentioned otherwise

(iii) **Risk exposures:** Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

- (a) **Interest Rate risk:** The plan exposes the Company to the rise of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
- (b) **Liquidity Risk:** This is the risk that the Company is not able to meet the short-term Benefit payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.
- (c) **Salary escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- (d) **Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- (e) **Regulatory Risk:** Benefit is paid in accordance with the Provisions of Gratuity Act 1972 (as may be amended from time to time). There is a risk of change in provisions of Gratuity Act requiring higher Plan Benefit pay outs (e.g. change in benefit formula).

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

- (f) Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/fall in interest rate.
- (g) Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**(iv) Amendments, Curtailments and Settlements** - Not applicable in this case

**(v) Disaggregation of plan assets:** The Gratuity plan's weighted-average assets allocation at 31 March 2025 and 31 March 2024, by asset category was as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Funds managed by insurers	100.00%	100.00%
Others	0.00%	0.00%

**(vi) Principal actuarial assumptions**

**(a) Demographic assumptions**

- a) Retirement age of employees of the company are assumed at 60 years.
- b) The mortality Rate is as per (% of IALM 2012-14).
- c) Average past service : 6 years
- d) Withdrawal rate : 1 to 3% depending upon age

**(b) Financial assumptions**

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Discount rate (p.a)	6.75%	7.10%
Expected rate of return (p.a)	6.00%	6.00%
Salary escalation rate (p.a)	6.00%	6.00%

**(vii) Sensitivity analysis**

Discount Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
+ 1% change	10.46	9.80
- 1% change	(8.68)	(8.20)
<b>Salary increase</b>		
+ 1% change	13.99	13.20
- 1% change	(17.02)	(16.70)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on projected benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

- (viii) Asset Liability Matching Reserves:** The Company has Life Insurance Corporation (Group Gratuity Manager) for administering the Plan liability. The funds of the Plan liability are invested by the Life Insurance Corporation, (LIC), pay the benefits to members of the enterprise as per Rules of the LIC. So the LIC is exposed to the liquidity risk of not being able to arrange for the benefit outgo due to cash liquidity problems and so the LIC faces a liquidity risk.
- (ix) Funding arrangements and Funding Policy:** The Company has Life Insurance Corporation (Group Gratuity Manager) for administering the Plan liability. The funds of the Plan liability are invested by the Life Insurance Corporation. LIC pay the benefits to members of the enterprise as per Rules of the LIC. So the LIC is exposed to the liquidity risk of not being able to arrange for the benefit outgo due to cash liquidity problems and so the LIC faces a liquidity risk. If the LIC purchased a Group insurance policy from an Insurance Company, the insurance Company, as part of the policy rules, makes payment of all the Plan Benefit.
- (x) The expected future contributions in respect of gratuity as at 31 March 2025 were as follows:**

Particulars	Amount in Lakhs
Expected contributions	
During the year ended 31 March 2026 (estimated)	23.66
Expected future benefit payments and maturity profile	
1 year	-
2 to 5 years	38.92
6 to 10 years	47.77
More than 10 years	597.48

### Compensated absences:

The Company provides for accumulation of compensated absences by certain categories of its employees. These employees can carry forward a portion of the recognised compensated absences and recognised them in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a liability for compensated absences in the period in which the employee renders the services that increases this entitlement. The total liability recorded by the Company towards this obligation was 19.34 lakhs and `2.90 lakhs as at 31 March 2025 and 31 March 2024, respectively.

### 39 Disclosure as required under section 22 of the Micro, Small and Medium Enterprises Act, 2006

The Company seeks information from suppliers whether they registered unit under MSME Act, 2006 based on the information received from the creditors the following information as required are given as under

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	Nil	Nil
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end;	Nil	Nil
c) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
d) Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year;	Nil	Nil

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
e) Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	Nil	Nil
f) Interest due and payable for the year amount of interest accrued and remaining unpaid at the end of each year towards suppliers registered under MSMED Act, for payments already made; and	Nil	Nil
g) Further interest remaining due and payable for even in succeeding years.	Nil	Nil

### 40 Leases

The Company has lease contracts for various items of property, plant and equipment used in its operations. Below are the carrying amounts of right-of-use assets recognised and the movements during the year included in the property, plant and equipment. The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowings rate and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowings rate at the date of initial application.

The changes in the carrying value of ROU assets for the year ended 31 March 2025 are as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	177.94	131.41
Additions	393.14	100.75
Amortisation	109.36	54.22
Closing balance	461.72	177.94

The break-up of current and non-current lease liabilities as at 31 March 2025 is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current	189.31	71.44
Non-current	269.13	105.19
<b>Total</b>	<b>458.44</b>	<b>176.63</b>

The movement in lease liabilities during the year ended 31 March 2025 is as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Opening balance	176.63	113.44
Lease liability recognised during the year	376.07	99.43
Finance cost during the year	33.41	7.74
Payment of lease	(127.67)	(43.98)
Closing balance	458.44	176.63

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

The aggregate maturities of long-term leases, based on contractual maturities as of 31 March 2025 and 31 March 2024 were as follows:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Lease Liabilities</b>		
Before 3 months	32.05	13.71
3 – 6 months	32.05	13.71
6 – 12 months	64.10	27.43
1 – 3 years	296.34	121.78
3 – 5 years	33.91	-
Above 5 years	-	-
<b>Total</b>	<b>458.44</b>	<b>176.63</b>

The following are the amounts recognised in the statement of profit and loss:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation expense of right-of-use assets	109.36	41.08
Interest expense on lease liabilities	33.41	7.74
Expenses related to short term leases	18.29	27.31
	<b>161.06</b>	<b>76.13</b>

Lessor	Interest rate p.a	Tenure
Origa Markets Private Limited	10.00%	36 instalments
Origa Markets Private Limited	5.91%	60 instalments

### Short term leases:

As part of transition, under Ind AS 116 'Leases' during the Previous year, the Company had availed the practical expedient of not to apply the recognition requirements of Ind AS 116 to short term leases and also applied materiality threshold for recognition of assets and liabilities related to leases. The lease payments associated with these leases amount to ₹18.29 (for the year ended 31 March 2024: ₹27.31).

## 41 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equities shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

Computation of basic and diluted earnings per share:

Particulars	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Profit for the year attributable to equity shareholders (₹ in lakhs)	5,724.16	3,166.90
<b>Shares</b>		
Weighted average number of equity shares outstanding during the year – basic	30,36,60,303	25,00,73,151
Add: Weighted average number of equity shares on account of pending share warrants to be allotted	-	1,69,83,937
Weighted average number of equity shares outstanding during the year – diluted	30,36,60,303	26,70,57,088
<b>Earnings per share</b>		
Earnings per share of par value ₹ 1 – basic (₹)	1.89	1.27
Earnings per share of par value ₹ 1 – diluted (₹)	1.89	1.19

## 42 Particulars of loans, guarantees or investments in accordance with Section 186 (4) of the Companies Act, 2013

Following are the details of loan and investments in equity shares of subsidiaries:

S No	Name of the entity to whom loan/investments was given/made	Relation	For the year ended 31 March 2025		For the year ended 31 March 2024	
			No of shares	Amount ₹	No of shares	Amount ₹
1	Ananya SIP RF Technologies Private Limited	Subsidiary	210940	132.89	210940	132.89
			NA	1,685.61	NA	976.26
2	Apollo Defence Industries Private Limited- investments	Subsidiary	7600	0.76	7600	0.76
			NA	101.00	NA	-
			NA	5000.00*	NA	-

\*An amount of Rs.4000/-lakhs received as on 31.03.2025.

## 43 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Director reviews and agrees policies for managing each of these risks, which are summarized below.

### a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at 31 March 2025 and 31 March 2024. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

The analysis excludes the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2025 and 31 March 2024.

### Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

### Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

### Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries.

Any movement in the functional currency of the various operations of the Company against major foreign currencies may impact the Company's revenue in international business. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

Particulars	Increase/ decrease in interest rate	Effect on profit before tax
<b>31 March 2025</b>		
Rupee	+1%	(291)
Rupee	-1%	291
<b>31 March 2024</b>		
Rupee	+1%	(206)
Rupee	-1%	206

### b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend and based on the analysis has not provided any provision for expected credit losses on trade receivables.

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

The ageing of trade receivables is given below

Particulars	As at	As at
	31 March 2025	31 March 2024
With credit period	11,319.04	12,367.45
91-180 days past due	7,131.92	6,054.09
More than 180 days past due	5,381.99	5,105.63
61-90 days past due	-	-
91-180 days past due	-	-
More than 180 days past due	-	-
<b>Total</b>	<b>23,832.95</b>	<b>23,527.17</b>

### c) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
<b>Year ended 31 March 2025</b>						
Borrowings	24,415.01	255.60	766.79	4,090.26	-	29,527.64
Trade payables	27,988.00	-	-	-	-	27,988.00
<b>Year ended 31 March 2024</b>						
Borrowings	18,924.17	201.98	605.95	1,048.91	-	20,781.02
Trade payables	16,896.51	-	-	-	-	16,896.51

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 44 Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2025 and 31 March 2024 was as follows:

Particulars	As at March 31, 2025	As at March 31, 2024
Total equity attributable to the equity shareholders of the Company	60,861.89	51,938.98
As a percentage of total capital	67.7%	71.6%
Long term borrowings including current maturities	4,843.51	1,751.66
Short term borrowings	24,225.70	18,852.74
<b>Total borrowings</b>	<b>29,069</b>	<b>20,604</b>
As a percentage of total capital	32.3%	28.4%
Total capital (equity and borrowings)	89,931.09	72,543.37

## 45 Revenue from Contracts with customers

### A. Disaggregated revenue information

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>1 Type of goods or service</b>		
Product	55,559.86	35,702.93
Service Income	647.06	1,460.49
<b>Total revenue from contracts with customers</b>	<b>56,206.92</b>	<b>37,163.42</b>
<b>2 Geographical revenue</b>		
Revenue from contracts with customers		
-Within India	56,206.92	37,163.42
-Outside India	Nil	Nil
	<b>56,206.92</b>	<b>37,163.42</b>
<b>3 Timing of revenue recognition</b>		
Goods transferred at a point in time	55,559.86	35,702.93
Services transferred at a point in time	647.06	1,460.49
<b>Total revenue from contracts with customers</b>	<b>56,206.92</b>	<b>37,163.42</b>

\* Trade receivables are non-interest bearing and on credit allowed to certain customers. There is no significant increase in trade receivable compared to last year.

\*\* Contract Liability represents short term advances received from customer to deliver the goods.

## Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

### B. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Contract price	56,206.92	37,163.42
Less: Discounts and disallowances	NIL	NIL
Revenue from contract with customers	56,206.92	37,163.42

### C. Contract balances:

Particulars	Refer Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade receivables	8	23,843.26	23,527.17
Contract liabilities	22	653.29	1,077.02

### D. Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:

Particulars	Refer Note No.	For the year ended March 31, 2025	For the year ended March 31, 2024
Trade Receivables	8	23,843.26	23,527.17
Contract Liabilities	22	653.29	1,077.02

#### Performance obligation:

**Sale of Products:** The Performance obligations in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of goods and payment is generally due as per the terms of contract with customers.

**Sale of Service:** The Performance obligations in respect of services is satisfied at point of time and acceptance of the customers. In respect of these services, payment is generally due upon completion of the work and acceptance of the customers.

## 46 Corporate Financial Guarantee

During the year, the Company has issued a corporate financial guarantee in favour of its subsidiary for a sanctioned loan facility amounting to ₹50 crores. Against this, the Company charged a commission of 0.5% of the guaranteed amount. The fair value of the guarantee was assessed at 1.0% of the guaranteed amount, based on prevailing market rates.

Corporate financial guarantee has issued at the fag end of the accounting period and commission amount involved is not material, the accounting of commission is not material and significant, hence, accounting of guarantee commission is not consider for the period.

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 47 Additional regulatory information:

- (1) The title deeds of the immovable property of the company are held in the name of the company.
- (2) The property Plant and Equipment held with the company are not subjected to any revaluation during the year.
- (3) The Intangible assets held with the company are not subjected to any revaluation during the year
- (4) The Company has not granted any loans or Advances in the nature of Loans to Promoters, Directors, KMPs and other related parties excluding Subsidiary company.
- (5) The Company is not holding any Benami property and no proceeding has been initiated or pending against the company for the year ended 31 March 2025.
- (6) The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey or any relevant provisions of Income Tax Act, 1961)
- (7) (A) The Company has not advanced or loaned or invested any funds in any other person(s) or entity(ies), including foreign entities (intermediaries) with understanding that the intermediary shall be directly or indirectly lend or invest in other person or entities on behalf of the company or provide any guarantee or security or the like to or on behalf of the company.  
  
(B) The Company has not received any funds from any person(s) or entity(ies), including foreign entities (funding party) with the understanding that company shall lend or invest in other person or entity identified in any manner by or on behalf of the funding party/ Ultimate beneficiary or provide any guarantee or security or the like on behalf of the funding party/ Ultimate beneficiary.
- (8) The Company has borrowings from Banks or Financial Institutions on the basis of security of Current Assets. Quarterly returns or Statement of Current Assets filed by the company with Banks or Financial Institutions are in agreement with the Books of Accounts.
- (9) The Company is not declared as wilful defaulter by any Bank or Financial Institutions or RBI or other lenders.
- (10) There are no charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.
- (11) The company has no transactions and no relationship with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- (12) There are no Schemes of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- (13) The Company has not invested or traded in Crypto currency or Virtual Currency during the financial year.

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 47.14 Ratio analysis

Particulars	Numerator	Denominator	31 March 2025	31 March 2024	% change	Reason for variance
Current ratio	Current asset	Current liabilities	1.74	1.96	(11.55)	
Debt-equity ratio	Total debt	Shareholder's Equity	1.07	0.84	28.08	
Debt service coverage ratio	Earning available for debt service	debt service	7.28	16.41	(55.62)	Due to increase in loans during the year
Return on equity ratio	Net profit after taxes	Average shareholder's equity	10.15	7.01	44.73	Due to increase in profits during the year
Inventory turnover ratio	Cost of goods Sold	Average inventory	0.77	0.67	15.12	
Trade receivable turnover ratio	Net sales	Average trade receivable	2.37	1.95	21.95	Due to increased in trade receivables
Trade payable turnover ratio	Net Purchases	Average Trade Payable	2.47	2.44	1.06	
Net capital turnover ratio	Net sales	Average working capital	1.41	1.14	23.69	
Net profit ratio	Net profit after tax	Revenue from operation	10.18%	8.52%	19.51	Due to increase in profits during the year
Return on capital employed ratio	Earning before interest and taxes	Average capital employed	0.17	0.13	27.78	
Return on investment ratio	Non operating income from investment	Average Investment	-	-	-	

- 1 Total Debts = Borrowings + Leased Liabilities
- 2 Earnings available for Debts Service = Net Profit after taxes + Non-cash operating expenses + Interest - Non-cash operating incomes
- 3 Debt Services = Borrowings + Leased Liabilities
- 4 Capital Employed = Tangible net worth + Lease Liabilities
- 5 Return on investments of the company "Not Applicable" as the company doesn't have traded investments

# Notes Forming Part of the Standalone Financial Statements

(All amounts in ₹ Lakhs, except share data and where otherwise stated)

## 48 Subsequent events

Please refer to Notes 13 and 32 of these standalone financial statements for the details of subsequent events relating to the Proposed Dividend and Contingencies.

## 49 Approval of Standalone Financial Statements

These Standalone Financial Statements were approved for issue by the Board of Directors in their meeting held on 23 May 2025.

### Signatures to Note 1 to 49

As per our report of even date  
**for S.T.Mohite & Co**  
Chartered Accountants  
Firm Registration Number: 011410S

For and on behalf of the Board of Directors of  
**Apollo Micro Systems Limited**

**CA.Hima Bindu Sagala**  
Partner  
Membership No.: 231056

**Karunakar Reddy Baddam**  
Managing Director  
DIN: 00790139

**Krishna Sai Kumar Addepalli**  
Director  
DIN: 03601692

Place: Hyderabad  
Date: 23 May 2025  
UDIN: 25231056BMOVZK4696

**Sudarshan Chiluveru**  
Chief Financial Officer

**Rukhya Parveen**  
Company Secretary  
Membership No: A65112

Place: Hyderabad  
Date: 23 May 2025



# Consolidated

## **Financial Statements**

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