Date: 08th September,2026

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

Scrip Code: 540879 **Symbol: APOLLO** **ISIN: INE713T01028**

Dear Sir(s),

Sub: Annual Report of the Company for the financial year 2025-26 along with the Notice of the 29th Annual General Meeting

This is to inform that the 29th Annual General Meeting ("AGM") of the Members of the Company is scheduled to be held on Wednesday, 30th day of September, 2026 at 02:00 P.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.

In addition, a letter is being sent to those members whose email addresses are not registered with the Company/RTA /Depositories, providing the web link where the Annual Report can be accessed on the Company's website.

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 2025-26 which is being sent only through electronic mode to the Members.

The AGM Notice and Annual Report are also available on the company's website at:

Notice of the 29th AGM	https://apollo-micro.com/notices-of-general-meetings.html
Annual Report 2025-26	https://apollo-micro.com/financial-reporting.html?tab=annual-reports-ratings#tabs-section

Further, pursuant to Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a letter providing the web-links of the AGM Notice and Annual Report, being sent to those members whose e-mail addresses are not registered with the Company/Registrar and Transfer Agent (RTA)/Depositories, is also attached and available on the Company's website at https://apollo-micro.com/notices-of-general-meetings.html

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

BADDAM KARUNAKAR REDDY

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Date: 2026.09.08 19:23:56 +05'30'

Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Annual Report
2025-26

apollo microsystems

Sovereign by Design. Global by Ambition.

Indigenous. Integrated. Indispensable.



Sovereignty is built through the ability to conceive, create and sustain what matters most. For India, as defence modernisation accelerates and strategic dependencies come under greater scrutiny, indigenous capability has become not just an industrial priority, but a national imperative.

For over four decades, Apollo Micro Systems has been building that capability, evolving from electronic design and mission-critical subsystems to integrated systems, platforms, weapons and energetics. Today, our growing capabilities across the defence value chain are supported by indigenous R&D, specialised manufacturing, advanced testing infrastructure and strategic partnerships.

This is Sovereign by Design, designing not only technologies, but the capabilities, ecosystems and industrial depth required to deliver them with confidence.

Yet sovereignty is a foundation, not a destination. As Apollo strengthens its presence across Land, Air and Sea, receives strategic manufacturing licences, expands its platform portfolio and secures its first export order, a larger opportunity takes shape.

This is Global by Ambition, the pursuit of global OEM status through technology, quality, reliability and execution.

Designed in India.
Built with conviction.
Ready for the world.

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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

Established in 1997 in Hyderabad, we have evolved into one of India's leading multidisciplinary defence technology companies and a Tier-I Original Equipment Manufacturer (OEM), delivering advanced solutions across the defence technology landscape.

Our fully integrated operation spans explosives, design, development, manufacture, integration and life cycle support for advanced weapon systems and defence platforms. We are capable of delivering more than 700 on-board technologies, covering weapon electronic systems for Ground Defence, Missile Defence and Naval Defence. A missile is only as capable as what sits inside it. We build the brain that decides mid-flight, the nerves that sense and react, and the eyes that lock onto a target. Our integrated, technology-driven solutions ensure secure communications across domains, giving our clients dependable, mission-ready systems.

Everything we do sits under one roof, including R&D, design, development, assembly, testing and mass manufacturing, each shaped around what our clients need. Defence and space applications demand equipment that holds up under extreme conditions, calling for engineering excellence that leaves no room for failure during critical operations. We also design Commercial Off-the-Shelf (COTS) solutions, custom-configured for the defence and space sectors. With 41 years behind us, we have evolved from delivering individual sub-systems to systems and now to complete weapons and weapon integration.

OUR MISSION

'Convert Your Concepts into Reality'

Our mission reflects our commitment to transforming customer concepts into real-world applications by leveraging state-of-the-art hardware and software technologies, delivering innovative, customised solutions for diverse applications.

OUR VISION

Because Tomorrow Starts with a Vision

To become a world-class leader and distinctive solution provider, offering **'Total Solutions Under One Roof'** with an integrated approach that fulfills every customer requirement.

NAVIGATING THE NEXT DECADE

Our vision for the next decade is to grow as a **Global Original Equipment Manufacturer** over the next ten years with recognisable revenue streams across the **Land, Air** and **Sea** domains; increasing our presence in Indian markets and continuing to grow in global markets; delivering **valued products built with conviction;** and strengthening our Research & Development with the **latest and most futuristic technologies.**

The Four Pillars of Our Vision

01 A Global OEM, Made In India

Move from being a Tier-1 supplier of critical electronics to a recognized Global Original Equipment Manufacturer of defence platforms. Apollo's name will be on the platform, not only inside it.

02 Revenue Across Land, Air & Sea

Recognizable, diversified revenue streams across all three operational domains so that no single platform, no single programme, and no single customer defines the Apollo story.

03 Indian Deepening + Global Growth

Continue to deepen our presence in Indian defence procurement while growing meaningfully in global markets converting this year's first export order into a sustained international revenue stream.

04 Conviction + Futuristic R&D

Valued products built with conviction backed by a research base continually strengthened with the latest and most futuristic technologies in RF, AI, Autonomy and Inertial Navigation

Our Journey

2015
Achieved a milestone of over INR 1 bn turnover and installed state-of the-art facility for Defence Systems Manufacturing Facility

2010
Configured Indigenous Automatic Launcher Controller for AGNI Range of Missiles successfully

2000
First Indigenous Payload Checkout System is supplied to ISRO, replacing Legacy Imported Systems

1997
Converted to Pvt Limited Company

1992
Started Offering On-Board Systems for Defence

1990
Offering Indigenous Processor Boards for Defence Applications

1985
Incorporated AMS Proprietary Company offering Electronic CAD Design Services

2017
Reached ₹2 bn turnover

2018
Listed on NSE and BSE

2021
Entered RF & Microwave designs through the acquisition of an established RF company

2022
Facilitated by URSC (formerly known as ISRO Satellite Centre)

2023
Acquired 2.5 acres of land from Telangana State Industrial Corp Ltd

2024
Inaugurated Unit II and acquired 2.5 acres of land for unit III

2025
Acquired IDL Explosives Ltd

2026
Greenfield Expansion; First Export Order



Chairman's Message

India's Defence Mission. Apollo's Global Chapter.

DEAR SHAREHOLDERS,

India's defence sector stands at an inflection point. The Government's vision of 'Viksit Bharat @ 2047', anchored in Aatmanirbhar Bharat and accelerated indigenisation, has created a structural opportunity of a scale our industry has never seen. The Union Budget for FY 2026–27 allocated ₹7.8 lakh crore to the Ministry of Defence, including ₹2.19 lakh crore of capital outlay, with around 75% of the capital acquisition budget reserved for domestic industry. Policy, procurement and purpose are now aligned and companies with proven technology and the discipline to execute will define this era.

Apollo Micro Systems Limited enters this era with 41 years of earned credibility. Our electronics and mission-critical subsystems serve some of the nation's most sensitive programmes nuclear submarines, torpedoes, underwater mines, decoys, UAVs, aerial bombs, artillery systems and missiles. That experience has given us more than technological depth; it has taught us the responsibility that comes with defending a nation.

A YEAR OF PURPOSEFUL TRANSFORMATION

FY 2025–26 was a landmark year in which Apollo moved decisively from subsystems to platforms. We strengthened our foundations, expanded our capabilities and repositioned the Company as an integrated defence technology and platform enterprise. Our portfolio now spans unmanned systems, counter-drone technologies, autonomous underwater platforms, missiles, torpedoes, land systems and advanced electronic warfare, supported by new infrastructure, manufacturing capacity, strategic licences and partnerships.

The acquisition of IDL Explosives Limited was central to this transformation. IDL's heritage in industrial explosives and its strategic licences in critical high-energy materials extend Apollo's participation across the defence value chain from intelligence at the core of a weapon system to the energetics that give it effect. Few companies anywhere combine both. It is precisely this completeness that distinguishes an original equipment manufacturer from a supplier.

THE AMBITION BEFORE US

Let me state our direction plainly, and with humility. Apollo's ambition is to stand among the emerging global OEMs of defence an Indian company that designs, develops, integrates and delivers complete weapon systems and platforms, first for our Armed Forces and progressively for trusted partner nations. We do not say this lightly. Global OEM status is not claimed; it is earned through certified quality, delivery reliability, indigenous intellectual property and the confidence of customers who entrust us with mission-critical outcomes. Every investment we made this year in licences, energetics, manufacturing and R&D was a deliberate step on that path.

The character of warfare is changing before our eyes. Autonomous systems, network-centric operations, precision technologies and intelligent unmanned platforms will shape the battlefields of the future. Nations will seek partners who can deliver these capabilities with sovereignty, speed and trust. India and Apollo intend to be counted among them.

WITH GRATITUDE

None of this would be possible without our people, whose commitment gives Apollo its edge; our customers in the Armed Forces, DRDO and government institutions, whose trust we regard as sacred; our technology partners; and you, our shareholders, whose conviction allows us to build for the long term.

The foundation has been laid. What we build upon it in the coming years will define Apollo's next chapter as a company of India, built for the world.

With warm regards,

Raghupathy Goud Theegala
Chairman
Apollo Micro Systems Limited

> "Enduring leadership is built quietly on strong foundations, disciplined choices and the conviction to invest ahead of the curve. This year, we did exactly that."



₹90432.28 lakhs
Revenue

₹10738.01 lakhs
PAT

Managing Director's Message

Building Capabilities. Scaling Platforms. Delivering for India and Beyond.

DEAR SHAREHOLDERS,

FY 2025–26 was a defining year for Apollo Micro Systems a year of decisive execution and strategic transformation. Revenue grew 61% year-on-year to ₹904 crore from ₹562 crore, while PAT rose 91% to ₹107 crore from ₹56 crore. These numbers matter, but what they represent matters more: the growing scale of our capabilities and the deepening trust placed in us as a technology partner to India's defence and strategic sectors.

We invested ₹72 crore which is 8% of revenue in R&D, among the highest in the industry, and our R&D team recorded zero attrition. This translated into tangible outcomes: the Mini Torpedo, advanced sensor suites for underwater autonomous vehicles, FOG-based INS systems and a pipeline of next-generation technologies built for the evolving demands of modern warfare.

LICENCES THAT REDEFINE WHAT APOLLO CAN BUILD

A landmark of the year was the grant of a Lifetime Arms Manufacturing Licence by DPIIT. With no expiry, it authorises Apollo to manufacture, assemble, integrate and proof-test complete strategic weapon systems Missiles, ATGMs, Torpedoes, Underwater Mines, Aerial Bombs, Rockets, Loitering Munitions, Chaffs, Flares and Decoys alongside our licensed portfolio in Unmanned Aerial Systems, Inertial Navigation Systems and Radar Equipment. In parallel, IDL Explosives Limited, our step-down subsidiary, received an Industrial Licence for HMX and TNT, marking our entry into specialised defence energetics. Electronics, integration and energetics under one roof this is the architecture of a complete weapon-system OEM, and very few companies globally possess it.

FROM CAPABILITY TO SCALE

We were allotted additional land by TSIIC Hardware Park Phase-II, adjacent to our existing facility, taking our footprint there to approximately 10.68 acres. With an investment of ₹300 crore, this facility will manufacture, integrate and test advanced weapon platforms including Grad Rockets, ASW Rockets, Anti-Tank Mines and Artillery Munitions. We further signed an MoU with the Government of Telangana for a greenfield Defence and High-Energetic Explosives project with a proposed investment of approximately ₹1,500 crore. I thank the Government of Telangana for its continued support. These are not capacity additions; they are the industrial backbone of an OEM built to deliver at scale.

PREPARING FOR THE NEXT GENERATION OF WARFARE

Tomorrow's battlefield will be defined by autonomy, artificial intelligence, network-centric operations, precision and electronic dominance. Apollo is positioning at the forefront across UAVs, counter-drone systems including Directed Energy Weapons, autonomous underwater platforms, missiles, torpedoes, electronic warfare, seekers, avionics and artillery systems shifting our focus from individual products to complete, integrated platforms.

AN EMERGING GLOBAL OEM

Our growth rests on two complementary engines: deepening our position in India's defence procurement ecosystem and building a durable presence in global markets. The receipt of our first export order this year is an early but meaningful signal of what Apollo can become. We will grow this business patiently order by order, delivery by delivery converting initial opportunities into sustained international revenue through quality, reliability and long-term partnerships. Global demand for trusted, cost-competitive defence partners is rising; Apollo intends to earn its place among them.

EXECUTION WILL DEFINE THE NEXT PHASE

Our priorities are unambiguous: execute customer programmes, commission manufacturing capacity, deepen technology, develop talent and deploy capital prudently balancing ambition with financial discipline. The next phase is about turning licences into products, products into platforms, platforms into programmes and programmes into enduring capabilities.

> "Some years are more than milestones; they are defining moments. They separate those who wait for certainty from those who have the courage to build through it."

I thank our employees, the Armed Forces, DRDO, government institutions, technology partners and shareholders for their confidence. We carry our 41-year legacy with pride and look ahead with greater purpose: to build a stronger Apollo, and through it, a more self-reliant, technologically advanced and secure India.

With warm regards,

Karunakar Reddy Baddam
Managing Director
Apollo Micro Systems Limited



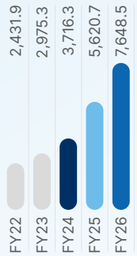
Financial Highlights

Our highest ever revenue reflects consistent execution, operational discipline and a strong alignment with the indigenisation and the Atmanirbhar Bharat initiative. Over the last five years, we have steadily delivered strong growth and operational performance. Between FY21 and FY26, revenue from operations grew at a CAGR of 30%, while EBITDA grew at a CAGR of 41% over the same period.

This period also saw meaningful margin expansion. EBITDA margin improved from 19% in FY21 to 24% in FY26. PAT margin expanded by 700 basis points, rising from 5% in FY21 to 12% in FY26. ROCE improved substantially, from 10% in FY21 to 18% in FY26, reflecting stronger operational efficiency and capital productivity. Our working capital cycle also improved significantly, reducing from 626 days in FY21 to 359 days in FY26.

REVENUE FROM OPERATIONS

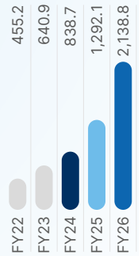
(₹ in Lakhs)



EBITDA

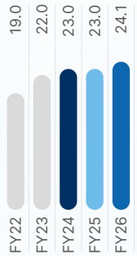
(Ex. other income)

(₹ in Lakhs)



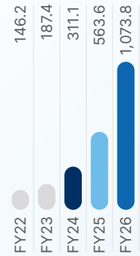
EBITDA MARGIN*

(in %)



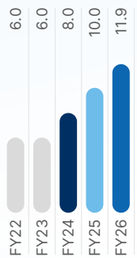
PAT

(₹ in Lakhs)



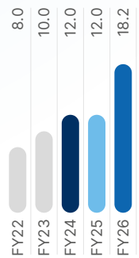
PAT MARGIN

(in %)

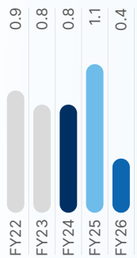


ROCE

(in %)

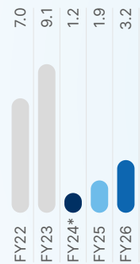


DEBT-EQUITY RATIO



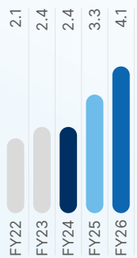
EPS

(in ₹)



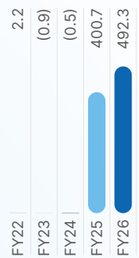
* The face value of the shares were split from Rs.10 to Re.1 each

INTEREST COVERAGE RATIO



NET CHANGE IN CASH AND CASH EQUIVALENTS*

(₹ in Lakhs)



* Including Other Income



Core Competencies

MULTI-DOMAIN THREAT PROTECTION

A proven track record of delivering solutions ranging from small-scale systems to complete platforms, including explosive systems.

INTEGRATED WEAPON SYSTEMS SUPPLIER

Backward integration enabled through greenfield and brownfield expansions, along with acquisition of IDL and forward integration, making us complete weapons and weapon integration.

LED BY INNOVATION

R&D as a % of revenue in FY26 stood at 8%. Led by innovation, we design and manufacture systems, subsystems and weapons through in-house engineering, from concept to production. Our solutions are developed independently, with fully documented, traceable requirements, verification records and clear IP ownership. This approach strengthens legal and export compliance, ensures repeatable manufacturing and enables tailored lifecycle support and upgrades.

HIGH ENTRY BARRIER

We operate in niche sectors with specialised products, supported by a deep technical expertise and strong structural competitive moat. Our four-decade-long association with DRDO has established a strong legacy in the development and manufacturing of advanced weapon system platforms.

PARTICIPATION IN COMPLEX TENDERS

Highest participation in Indigenous Missile programmes of DRDO.

STABLE FINANCIALS

Strong order book marked by exports gaining momentum. We demonstrated strong growth in both topline and bottom line in FY26. Credit Rating on Long Term Upgraded to ACUITE A- and Short Term Upgraded To ACUITE A2+.





Integrated Value Chain

EXPLOSIVES
Commodity and Strategic Explosives

PLATFORMS
Mission-Critical Aerial, Land and Naval Platforms

WEAPONS INTEGRATION
Including and not limited to missiles, rockets, underwater mines

SUB-SYSTEMS/SYSTEMS
Critical and ruggedized systems and Subsystems

WEAPONS
Torpedoes, Decoys, Loitering Munitions etc

DIVERSIFIED PORTFOLIO


Missiles


Drones


Rockets


Underwater Weapons


Vehicle Mounted Counter Drone Systems

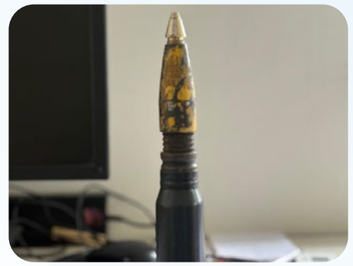

Aerial Bombs



Explosives



Direct Energy Weapons


Ammunitions

Value Delivery Model

Inputs

FINANCIAL STRENGTH

We draw on internal accruals and external funding to invest in R&D, technology upgrades and facility expansion.

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

PEOPLE AND CAPABILITIES

We bring together a multidisciplinary team of engineers and specialists to execute complex, high-stakes programmes across sectors.

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

OPERATIONAL EXCELLENCE

We run a fully integrated facility with precision tools and in-house testing, giving us control over quality and timelines.

- Integrated facility
- In-house testing
- Rapid prototyping

STRATEGIC PARTNERSHIP AND ECOSYSTEM TRUST

We have built lasting relationships across the defence ecosystem that enable joint innovation and faster execution.

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

INNOVATION AND TECHNOLOGY

We draw on decades of expertise to build proprietary designs, embedded systems and AI-enabled technologies.

- Proprietary designs
- Embedded tech
- Space-qualified systems

ENVIRONMENTAL STEWARDSHIP

We build energy efficiency, waste management and regulatory compliance into our operations.

- Efficient energy use
- Minimal electronic waste
- Compliant processes

Value Creation

Requirement Initiation
A formal purchase order sets clear project objectives.

Strategic Resource Planning
We allocate the right skills and assets early for seamless execution.

System Requirement Definition
We translate functional needs into clear technical specifications.

Collaborative Design Review
We validate preliminary concepts with client teams and internal experts.

Robust Engineering Architecture
We design for performance, integration and reliability.

Prototype Development
We build scalable prototypes to test feasibility and refine outcomes.

Precision Manufacturing
We manufacture full-scale, qualified systems in controlled environments.

Rigorous Quality Validation
Every system undergoes comprehensive internal testing for compliance.

Client Acceptance Testing
We validate final systems at the client's end before deployment.

Outputs

₹ 7,648.5 million
Revenue from Operations

₹ 2,138.8 million
EBITDA

24.1%
EBITDA Margin

350,000 sq. ft.
New integrated facility area

First Export Order

Reduced turnaround time

700
On board Technologies

License awarded
for high strategic value weapons systems and ammunitions

Transfer of Technology
advanced electro-optical tracking systems and Directed Energy Weapons

Innovation culture

Skilled execution

Team agility

150+
Indigenous Program Participation

Approved Vendor for DRDO and DPSU

Tripartite Alliance
with the Indian Navy and IIT Madras

7,87,513 kWh
Energy Consumed from Non-renewable sources

Rainwater harvesting and water reuse

Better resource use

Outcomes

Robust financial resilience and investor trust.

High employee engagement and project accountability.

Faster go-to-market and reduced production risks.

Stronger national partnerships and project continuity.

Accelerated innovation and technical differentiation.

Responsible manufacturing aligned with compliance standards.

Stakeholders Impacted

Employees

Investors

Customers

Suppliers & Partners

Government authorities

Community

Product Feature— Indigenised Mines

MULTI-INFLUENCE GROUND MINE (MIGM)

We are the approved production agency for the Multi-Influence Ground Mine (MIGM), Vighana, under DcPP by DRDO.

- This capability was previously held only by the United States, Russia, China and Italy. With this milestone, India now stands among the technologically advanced nations in undersea warfare.
- Naval mines work as an unseen threat, giving any maritime nation the means to defend its waters regardless of naval strength. They keep underwater and surface navies at bay, forcing them away from the coastline and toward open sea.
- MIGM is built to sharpen the Indian Navy's edge against modern stealth ships and submarines.

LIMPET MINE

A Limpet Mine is a naval mine typically fixed by hand, placed by a diver on the underside of a ship's hull.

- Magnets hold these mines to their target.
- They are man-portable, and we have built several variants as per mission requirements.
- Combat Trials for the Indian Navy have been completed successfully.

MOORED MINES

Moored Mines are used where waters run too deep for bottom mines. They draw on a mix of acoustic, magnetic and pressure sensors, or more advanced optical shadow and electro-potential sensors.

A weight fixed to each mine keeps it anchored in place. Held at a set depth, moored mines can strike different vessel types, from submarines to surface ships.

Real-World Use Case—Strait of Hormuz

Recent conflicts have demonstrated the real-world use case and the effectiveness of moored mines. Among the mines identified at the Strait of Hormuz conflict was the Maham-3, a moored mine that uses magnetic and acoustic sensors to detect and target passing vessels. Fewer than a dozen mines were enough to disrupt commercial shipping, push up insurance costs and draw naval forces from multiple countries into the strait to clear them. The incident showed how a small number of moored mines, held at a fixed depth and point, can put one of the world's busiest shipping routes under threat.

LAND MINES

PRACHAND is an anti-tank munition built for full-width attack. It stands as the first line of defence against enemy infantry, armoured columns and terrorists attempting to cross into our territory.

We build the hardware for this anti-tank munition, part of a new family of munitions in India. New variants of anti-tank mines are in development, powered by AI sensor fusion.



Product Feature— Aerial Bombs

Fitted onto Unmanned Aerial Vehicles as loitering munitions, these Aerial Bombs are built to bring new levels of flexibility and precision to modern warfare, striking targets with accuracy.

- The Aerial Bombs work as anti-personnel, anti-tank and anti-bunker munitions.
- Nine variants of aerial drop bombs have been developed for release from aerial platforms such as drones.

Product Feature— Medium Range Rockets

Its compact form factor makes it a fit for vehicle-mounted launch systems, while delivering the aerodynamic stability, structural integrity and operational effectiveness needed for counter-drone missions. A ground-to-air launch system has been developed to target drones and drone swarms.



India, Unstoppable

India's defence sector continues to gain momentum, backed by sustained government support and a clear policy push toward self-reliance. The Union Budget for FY 2026-27 reflects this commitment, placing capital modernisation and indigenous manufacturing at the heart of the country's defence strategy.

In line with India's vision of 'Viksit Bharat @ 2047' and a technologically advanced, self-reliant Armed Forces, the Union Budget allocates ₹ 7.8 lakh crore to the Ministry of Defence (MoD) for FY 2026-27, accounting for 14.28% of the Total National Budget. Of this, ₹ 2.19 lakh crore, or 28% of the total allocation, is set aside for Capital Outlay under Defence Services.

The Budget gives a strong push to Atmanirbhar Bharat (Self-reliant India) by encouraging indigenous manufacturing and cutting import dependence. Domestic defence industries, including private sector players, stand to gain the most with ~75% allocation of the Capital Acquisition budget for FY 2026-27. Defence remains one of the 25 sectors covered under the Make in India initiative, with the 'Make' category of capital acquisition central to realising its vision.

CATALYSTS

- Global Geopolitical Dynamic is Shifting
- Defence Demand is Outpacing Supply
- Reliance on Indigenization for National Security
- Military Modernisation Programmes

PRIVATISATION DRIVE

India is undertaking complete transfer of DRDO-developed conventional missile technology, covering air-to-air, anti-ship and tactical ballistic missiles, to private companies through competitive bidding. The strategic shift is designed to scale affordable mass production capacity, cutting import dependence and widening private participation in India's missile ecosystem.

In step with this shift, ISRO is handing over the production of manufacturing launch vehicles such as the PSLV and LVM-3 to private industry. Both organisations will now concentrate on research and advanced technology development, while private players take on manufacturing at scale.

India's strategic landscape has changed. The cost of dependence is now understood more clearly than before, and with that understanding has come a national commitment to build indigenous capabilities at scale. The Ministry of Defence's indigenisation lists are no longer aspirations on paper. They are mandates, backed by timelines, budgets and consequences.

6TH POSITIVE INDIGENISATION LIST

The Department of Defence Production (DDP), Ministry of Defence has notified the sixth Positive Indigenisation List (PIL) comprising 405 strategically important items with an estimated business potential of ₹ 3,070 crore. The list contains Line Replaceable Units, sub-systems, sub-assemblies, spares, components and raw materials. Upon successful indigenous development, these items will be procured from the Indian industry. More than 15,700 defence items have been successfully indigenised, resulting in an estimated import substitution value of about Rs 9,000 crore over the last five years.

OPERATION SINDOOR- FROM DETERRENCE TO DOMINANCE

The calibrated military response in Operation Sindoor demonstrated DRDO's technological capability to carry out tactical offence with high precision across multiple frontiers, without crossing international boundaries. During the mission, the nation's Air Defence systems detected, tracked and neutralised threats using an array of tools, including radars, control centres, artillery, drones and air and ground-based missiles. The mission marked a moment of strategic clarity in India's response to terror. ISRO's contribution came through a network of at least 10 satellites, covering the nation's extensive topography and working round the clock to secure critical intelligence.

MODERN THREAT FRONTIER

The requirement for missile systems is expected to grow significantly in the coming years, with the induction of a large number of ships, submarines and aircraft. There is a critical need to advance the development of Anti-Submarine Warfare (ASW) rockets to counter emerging and increasingly sophisticated underwater threats effectively. At present, the Indian Navy holds a large number of torpedoes imported from both western and eastern origin countries. This presents a significant opportunity to contribute to the indigenous development of Homing Systems, an area where we already hold a strong presence.

Conventional weapons like bombs and missiles cause physical (kinetic) damage, but modern threats often call for non-kinetic responses, particularly where civilians or infrastructure are involved. This points to the need for smart munitions with greater precision and the ability to distinguish targets while delivering directional lethality.

POWERING SOVEREIGN INDIA

For nearly four decades, Apollo Micro Systems has been the quiet force behind India's critical defence systems. We help missiles fly, we help torpedoes find their target and we help radars see what the human eye cannot. And now we are moving beyond enabling capabilities to shaping what comes next.

Backed by a strong technological base and support from the Ministry of Defence, we have been awarded the DPIIT industrial license to manufacture Unmanned Aerial Vehicles and allied defence equipment. We are becoming a full-fledged Original Equipment Manufacturer of Unmanned Aerial Systems, and in the years ahead, of Unmanned Ground Vehicles, Counter-Drone Systems and the Autonomous Underwater Platforms that will define naval warfare in the decade to come. We have also been awarded a DPIIT License under the Arms Act to manufacture Missiles, Torpedoes, Mines and Ammunition.

Tensions Beneath the Surface

$ 2,887 trillion or 2.5 % of Global GDP

Global military spending in 2025

$ 864 billion (14% YoY increase)

Europe's military spending in 2025

$ 1,506 Billion

NATO's military spending in 2025

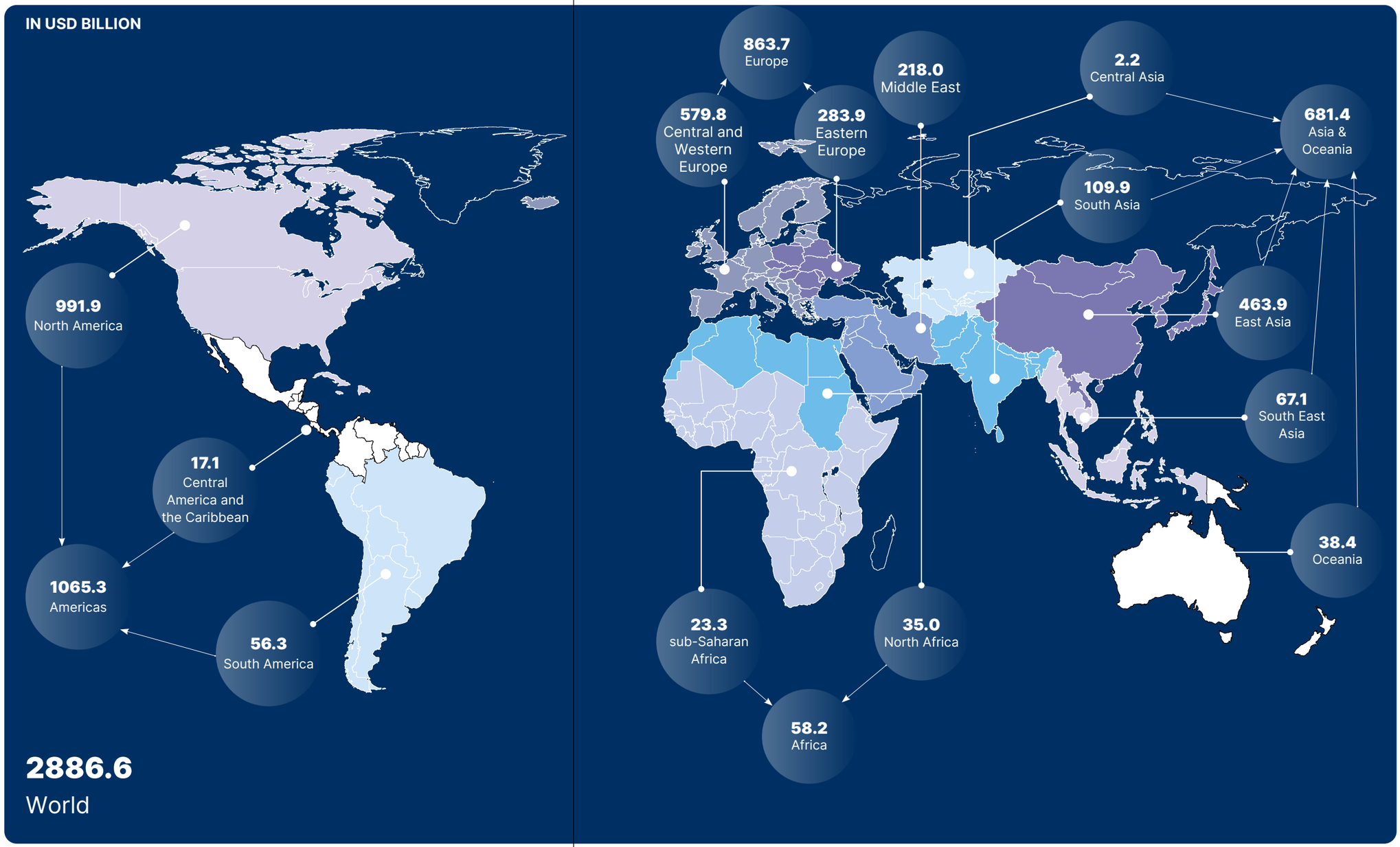
58% of Global Military Spending

By United States, China, Russia, Germany and India

3,912

Warheads Deployed in 2025

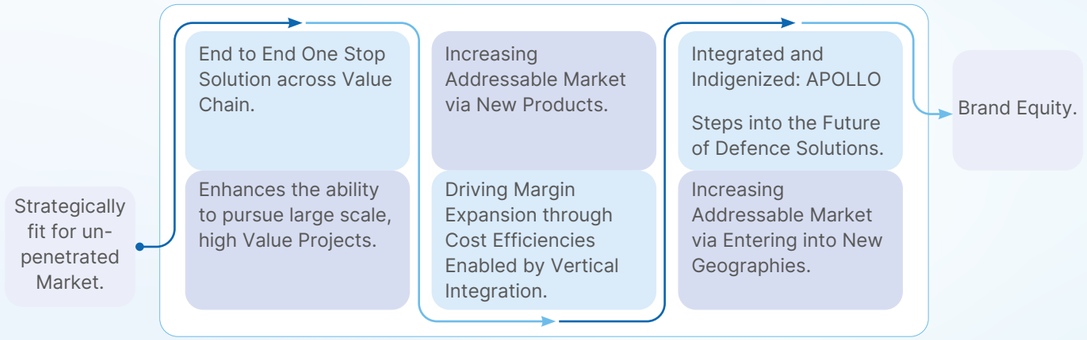
GLOBAL MILITARY SPENDING



Strategic Acquisition – IDL

Apollo Defence Industries Pvt Ltd (ADIPL), a subsidiary of Apollo Micro Systems Ltd, has completed 100% equity stake in IDL Explosives Ltd for a total consideration of ₹ 107 crore, in an all-cash transaction.

The Company is engaged in the manufacture full range of packaged and bulk explosive specifically engineered for mining and infrastructure projects. Additionally, it extends capabilities to include an extensive range of cartridge explosives.



STRATEGIC PARTNERSHIPS

Approved Collaborative R&D Partner for Bharat Electronics Limited.

Participation in 60+ programmes of DcPP as sub-system partner.

As a trusted partner of DRDO, we play key role in various active defence programs.

Forging New Alliances

- Signed MoU with Munitions India Ltd for identified select opportunities.
- Signed MoU with TCL for defense products.
- Signed MoU at Swavalamban 2025 with IIT Chennai and Indian Navy.
- MoU Partner to BDL for Joint Development of Naval Platforms.
- MoU partner to GRSE for joint development and supply of advanced Weapons and Electronic Systems.





Innovation

Our R&D team includes experienced engineers with core expertise in embedded hardware and software development. With multi-discipline knowledge covering Aerospace, Avionics, Space, Naval, On-Board Systems and Ground Support Equipment, we facilitate advanced engineering solutions and effective problem-solving.

RECOGNIZED AS A COLLABORATIVE R&D PARTNER BY BHARAT ELECTRONICS LIMITED.

In FY26, our R&D efforts led to the successful development of the Mini Torpedo, a sensor suite for underwater autonomous vehicles, FOG-based INS systems and other products. We continue to work on critical and advanced solutions.

This year, our R&D focused on closing critical indigenisation gaps in weapon electronics and precision engagement. Key developments included the indigenously designed Safety and Detonation Device (SDD) for the Indian Navy, built against specific problem statements issued under Atmanirbhar Bharat and formally handed over to the Navy. Advanced fuzes and Safety & Arming (S&A) mechanisms were developed for air, land and naval munitions. Jamming-resistant terminal guidance technology with anti-jam GNSS and Controlled Reception Pattern Antennas (CRPA) were built for the GNSS-denied battlefield conditions seen in recent global conflicts. Further underwater electronics, including torpedo homing systems and autonomous maritime platforms were developed.

THREE TECHNOLOGY PILLARS

1 Radio Frequency Systems

From RF tracking and EW sensors to advanced communication suites and Multi-Channel 55 kW Laser DEW, the nerve system of every modern combat platform.

2 Artificial Intelligence

Embedded AI for sensor fusion, autonomous targeting, threat classification, and battlefield analytics, a multiplier on every algorithm we design.

3 Inertial Navigation

MEMS-based INS, Fiber Optic Gyro, and Ring Laser Gyro the foundational technology of every guided weapon, every UAV, every submersible.

Turning a DRDO Transfer of Technology into a deployable, inductable system means building the complete industrialisation chain around the transferred design. We have been investing systematically in five areas including

- Converting laboratory designs into manufacturable configurations through design-for-manufacture and design-for-test practices
- Qualified manufacturing and test infrastructure, including environmental stress screening, EMI/EMC, vibration, shock and climatic test facilities that support in-house qualification and acceptance testing;
- A defence-grade supply chain, covering sourcing, screening and lifecycle management of military-qualified components, with indigenous alternatives developed for critical items
- Quality and certification systems aligned to defence quality assurance agencies (DGQA/DGAQA/DGNAI) and customer acceptance test procedures
- Lifecycle support, covering depot-level maintenance, spares, obsolescence management and mid-life upgrades.

This combination of ToT absorption and industrial depth is what converts technology receipts into repeat production orders. The infrastructure being scaled under Unit-III is aligned to build these capabilities in integration and test infrastructure.

COUNTER-DRONE

Counter-UAS is a layered problem of detect, identify, decide and defeat, and we are building a solution to match: acoustic sensing, passive RF sensing and direction finding for early detection and classification of drone datalinks, radar and electro-optical cueing and graduated soft-kill through RF jamming and denial, extending to hard-kill integration, all fused into a common command-and-control layer. We are combining our in-house strengths in RF systems, signal processing and ruggedised military electronics with technology partnerships under evaluation to speed up time-to-market, with a clear intent to indigenise manufacture in India. Our edge lies in delivering counter-drone capability as an integrated system including sensors, effectors and command-and-control built on indigenous hardware. These are qualified to military standards and scalable from vehicle-mounted and fixed-site configurations to man-portable variants supportable across the full lifecycle within India.





Operational Excellence

FY 2025-26 was a transformational year for us. We achieved several milestones including the acquisition of IDL Explosives Limited, expanding manufacturing capacity to six plants and strengthening licensed capacity.

Alongside this, we continued to build out manufacturing, assembly, integration, testing and test infrastructure, including the new Unit III facility. Together, these initiatives have moved AMS from an electronics supplier to a multi-domain systems house with capabilities in weapons, energetics and platform-level execution.

PROCUREMENT STRATEGY

Our procurement strategy is built around indigenisation-first sourcing, in line with Atmanirbhar Bharat and Make in India, while retaining programme schedules in a volatile external environment. Imports are substituted with qualified Indian vendors and in-house development. We use dual-sourcing and a wider vendor base for long-lead and single-source items. We buy ahead and hold strategic inventory of critical semiconductors and defence-grade components to guard against supply disruption. We build localisation clauses and technology absorption into our partnerships with foreign OEMs. With our entry into energetics, we are also integrating backward into critical raw materials and compounds. This approach cuts our exposure to export-control regimes and currency swings and keeps our delivery obligations to the Armed Forces and DPSUs safe from global supply shocks.

QUALITY ASSURANCE

Our operations now span Hyderabad electronics and systems facilities and the Group's explosives plants. AMS runs one governance structure across all of them. We use a common quality management system with site-level certification. Central quality and safety councils review metrics across sites. Documentation and acceptance-test procedures are harmonised and aligned to customer QA agencies. We run a regular calendar of internal audits and management reviews. Our SAP S/4HANA system gives us one digital thread across locations, covering materials, batches, production orders and compliance records. This gives us real-time visibility and batch traceability, from raw material to delivered system. Statutory and secretarial compliance across Group entities runs on a structured compliance calendar, with maker-checker-approver controls and periodic certification to the Board.

OVERCOMING CHALLENGES—TORPEDO HOMING

Torpedo homing is one of the toughest qualification environments in defence electronics. It needs underwater acoustics, sonar signal processing and pressure-tolerant, shock-hardened electronics packaging. This requires extreme reliability engineering. Additionally, it needs qualification through naval armament inspection and sea-trial regimes. Building these capabilities took sustained investment in acoustic signal-processing expertise, ruggedised hardware design and in-house environmental testing. It also took years of joint development with DRDO laboratories and the Indian Navy.

The competitive impact is significant. Entry barriers in underwater weapon electronics are among the highest in the industry. The pool of qualified vendors is extremely narrow worldwide. Success here makes AMS a credible partner across the wider underwater warfare and naval systems space. We are building specialised facilities, like acoustic profile testing, accelerating progress in naval warfare systems.

A YEAR OF MEANINGFUL PROGRESS

Our efforts will set a strong foundation for the years ahead. We completed a successful fundraise during the year and began greenfield expansion in Telangana. We fully acquired IDL Explosives. We received our first export order. Further, we formed a tripartite alliance with the Indian Navy and IIT Chennai and received an industrial license for TNT and RDX through our subsidiary, IDL Explosives. We also received a DPIIT license covering UAVs, INS systems, radars, torpedoes, underwater mines, ATGM, decoys, chaff and flares, aerial bombs, rockets, missiles and loitering munitions. This is a lifetime license for the Company. It marks a remarkable achievement, and it opens the way for us to build full-fledged platforms for Indian and global markets. We also received transfer of technology for directed energy weapons, including laser-based DEW and electro-optical tracking systems.

SCALING AHEAD

FY27 will mark the next phase of our growth across key defence domains. These include armament electronics, fire control systems, battle tanks, infantry combat vehicles, artillery platforms and vehicle-mounted counter-drone systems, with trials set for the subsequent quarters. We have made strong progress on our rocket programmes, including the BM-21 Grad rocket. We remain a trusted partner and supplier for guidance and navigation systems across several programmes, including the Pinaka programme. We will continue as an approved production partner for DRDO. We are already the approved production partner for the Multi-Influence Ground Mine. We expect to become a DcPP partner for other mine variants under DRDO too. India's MIGM, named Vighna, is the country's first indigenous naval mine of its class, developed under the DcPP with DRDO. Each of these initiatives is a strategic foothold. Together, they form the base for long-term, compounding growth over the coming decade.

We are investing in expanded manufacturing bays, assembly-integration-and-testing lines, and in-house environmental and EMI-EMC test infrastructure. This will shorten the design-build-qualify loop by cutting our dependence on external test houses. It means improved turnaround time and first-pass yield. We have built vertical integration, from bare-board assembly through box-build to system integration, and now energetics within the Group. Our integrated capabilities raise value capture per programme and improved capacity use across facilities. This scaled infrastructure will accelerate production by creating multiple lines for different products and technologies, and it will cut our dependence on outsourced testing.



Our People

TALENT MANAGEMENT

As Apollo Micro Systems Limited expands across defence electronics, weapon systems and advanced technologies, we have strengthened our talent strategy on three fronts.

First, we target specialised skills such as RF and microwave engineering, embedded systems, signal processing, mechanical and energetics engineering. We build these through campus partnerships, lateral hiring from the defence ecosystem and by bringing in experienced veterans and domain experts. Second, we offer engineers a structured career path with ownership of complete products and programmes rather than fragments of work, which strengthens retention. Third, we provide competitive, performance-linked rewards benchmarked against the industry.

Capability building during the year combined hands-on, programme-driven learning with formal training. Engineers absorbed transferred technologies on the job, working alongside DRDO laboratories and customer teams. We ran structured technical training in design tools, qualification standards and quality systems. Safety training expanded significantly with the Group's entry into energetics, covering explosives handling, process safety and emergency response. We also delivered functional training in SAP, compliance and project management as the Company scales and deployed teams overseas for specialised training ahead of new facilities and equipment operations.

LEADERSHIP DEVELOPMENT

Our leadership pipeline is built through deliberate stretch assignments. High-potential engineers and managers are given end-to-end ownership of programmes, business verticals and new initiatives, from bid to delivery, under the mentorship of senior leadership and the founding team. Cross-functional exposure across design, production, quality, business development and corporate functions builds readiness for general management roles. As the Group expands its structure of subsidiaries and new ventures, it opens leadership seats that internal talent can grow into.



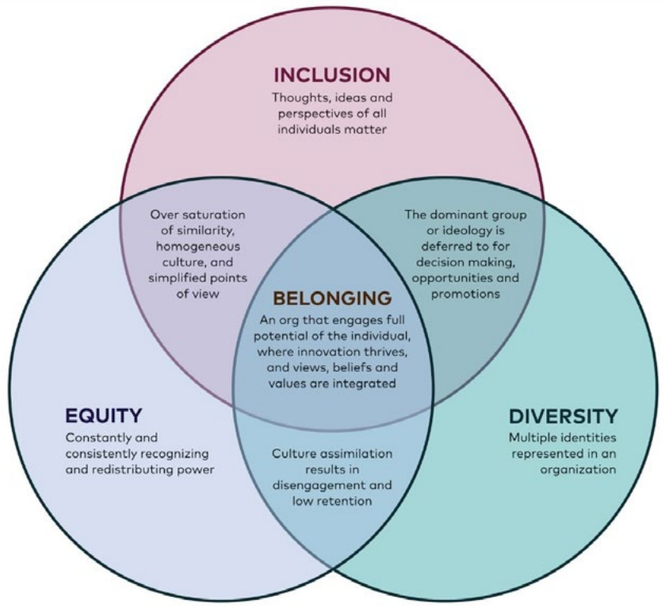


EMPLOYEE ENGAGEMENT

Employee engagement at AMS is built on a sense of mission. Teams see their work inducted into the Armed Forces and milestone events such as system handovers and programme wins are celebrated across the organisation. Regular town halls and leadership communication keep employees aligned with the Company's vision. Cross-functional programme teams are designed to drive collaboration and achievements are recognised through rewards and internal communication platforms.

DIVERSITY AND INCLUSION

AMS is working to build a diverse workforce in a sector that has traditionally been male-dominated. Recruitment is gender-neutral, with focused efforts to increase women's representation in engineering and corporate functions. Women professionals hold responsible positions across finance, secretarial, quality, design and programme functions. The Board includes independent women directors, in line with statutory requirements. Policies such as POSH compliance with an active Internal Committee, maternity benefits and flexible support help create a safe and inclusive workplace.





EMPLOYEE HEALTH AND SAFETY

Physical safety remains a top priority. As we expand into energetics, our focus on physical safety takes on even greater importance. It is upheld through safety committees, training, drills, personal protective equipment and medical facilities at our plants. Additionally, we support employee wellbeing through group medical and accident insurance cover, periodic health check-ups and awareness programmes on work-life balance and stress management. An open-door culture ensures employees can approach leadership and HR with personal or professional concerns.

ETHICS AND CULTURE

Respect for human rights is built into the Company's Code of Conduct and HR policies, which require fairness, dignity, equal opportunity and ethical treatment for all employees and workers, and prohibit child labour, forced labour, discrimination and harassment in any form. These principles extend to the supply chain through vendor onboarding requirements. Employees can raise concerns without fear of retaliation through grievance redressal mechanisms, the Whistle Blower/ Vigil Mechanism policy overseen by the Audit Committee, and the POSH Internal Committee. Compliance with applicable labour legislation, including wage, working-hours and social-security requirements, is monitored through the Company's compliance framework and reported in the Business Responsibility and Sustainability Report.

AMS's culture is built on engineering ambition, speed and a sense of national purpose rooted in Atmanirbhar Bharat, which is preserved through deliberate mechanisms as we scale. Founding leadership stays directly involved in programme reviews and mentoring. New entities and acquired businesses, such as IDL, are brought in through shared values, governance standards and review rhythms, instead of operating as silos. Hiring gives weight to cultural fit alongside technical skill. Internal communication, including a Group newsletter is planned as a new initiative going forward, along with milestone celebrations. These initiatives continue to reinforce the shared mission of building sovereign defence capability for India.





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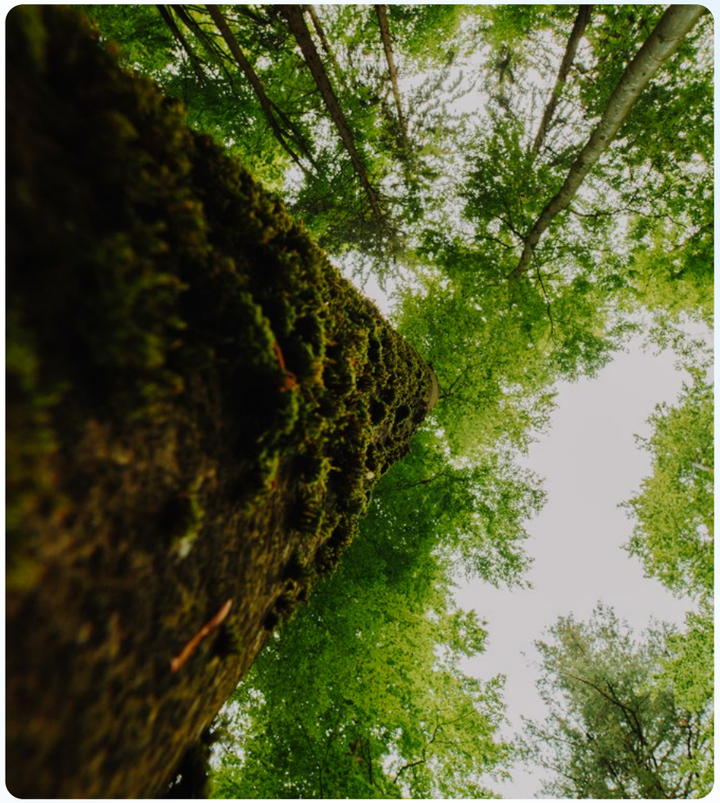
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Environment

Sustainability is being designed in rather than retrofitted. New facilities, including Unit III, incorporate energy-efficient building design and equipment selection, LED lighting and high-efficiency HVAC, provision for rooftop solar, rainwater harvesting and water recycling and waste segregation with responsible disposal of electronic and process waste. Process choices favour lead-free and low-emission technologies wherever qualification permits and green cover is being developed across our campuses.

With the Group's expansion into explosives and energetics, new priorities have emerged. Environmental stewardship of IDL's plant sites include emissions and effluent management for chemical processes and embedding green design into upcoming greenfield capacity, including the planned energetics complex. This is supported by a structured environmental governance overlay, including a comprehensive review of all environmental consents and licences, such as Pollution Control Board consents to establish and operate, PESO licences and hazardous-waste authorisations.

We are establishing a baseline measurement of energy, water and Scope 1 and 2 GHG emissions per rupee of revenue as part of our BRSR initiatives. This will help us set reduction targets against this baseline, supported by renewable energy adoption, energy-efficient facility design and water recycling, with progress reported annually.



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 FY26 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.





Governance

Governance is supported by a compliance calendar and responsibility matrix, periodic EHS audits of plant sites with corrective-action tracking and integration of IDL's environmental compliance reporting into the Group's compliance certification framework. This is reviewed by management and the Board. Each unit undergoes risk assessment of process-safety and environmental hazards, with mitigation plans in place.

SAFEGUARDING DATA

We strengthen 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 protect our systems and data.

BOARD COMMITTEES

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



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.



Karunakar Reddy Baddam
Managing Director

Mr. Karunakar Reddy Baddam brings over 41 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 cuttingedge 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.



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 24 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 isdedicated to expanding the company's presence in both defence and non-defence sectors.



Chandrapati Venkata Siva Prasad
Wholetime Director (Technical)

Mr. Venkata Siva Prasad Chandrapati serves as the Whole-Time Director (Technical) of the company, bringing over 26 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.



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 23 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.

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, Shegaon, 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.

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 Report

Economic Overview

Global Economic Review[1]

The global economy remained resilient in CY 2025, growing at 3.4% despite shifting geopolitical dynamics and evolving trade conditions. Although the macroeconomic environment saw policy adjustments, steady global trade activity and strong growth in technology-led exports helped sustain overall momentum and offset weaker performance in certain sectors. Developments in the Middle East led to more cautious market sentiment and pushed crude oil prices higher, raising inflationary concerns and prompting companies worldwide to revise their margin expectations. Geopolitical tensions have driven measurable shifts in economic priorities, with governments allocating more resources toward defence. While private consumption and broader capital investment have moderated, public sector defence spending has remained steady to support national security needs.

Emerging Markets and Developing Economies (EMDEs) were a key driver of global growth, expanding by 4.4% in CY 2025 on the back of strong domestic demand, rising industrial production, and stable exports. Advanced economies, meanwhile, stabilised with steady growth of 1.9% for the year.

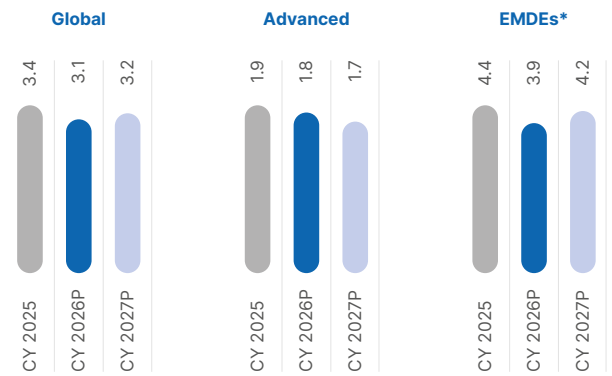
Global headline inflation remained contained at 4.1% in CY 2025, with advanced economies at 2.5% and EMDEs at 5.2%. Despite periodic disruptions from supply chain realignments and trade shifts, global trade volumes remained largely stable as sourcing networks adapted to changing geopolitical conditions.

Outlook

The global economy is projected to witness stable but measured growth ahead. Global GDP growth is projected at 3.1% in CY 2026 and 3.2% in CY 2027, reflecting a gradual slowdown as financial conditions and geopolitical factors continue to evolve. EMDEs are expected to maintain stronger momentum, with growth projected at 3.9% in CY 2026 and 4.2% in CY 2027, supported by strong domestic consumption, growing infrastructure investment and favourable policy frameworks.

While global inflation may fluctuate in the near term due to supply-side factors, price trends are expected to stabilise gradually over the medium term. Inflation trends remain closely tied to trade conditions, geopolitical developments, commodity prices and fiscal policy, indicating the increased importance of resilient global supply chains.

Real GDP Growth Projection (%)



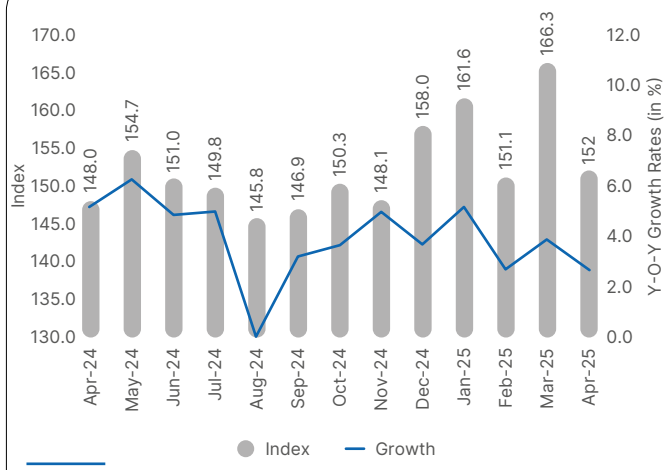
Source: World Economic Outlook, IMF April 2026

*P – Projected; EMDEs – Emerging Markets and Developing Economies

Indian Economic Overview[2]

India's economy sustained strong growth in FY 2026, supported by healthy domestic demand, stable macroeconomic fundamentals and continued public investment. Real GDP growth stood at 7.7% for the year, keeping India among the fastest-growing major economies globally, driven by continued momentum in consumption and investment activity.

All India Index of Industrial Production



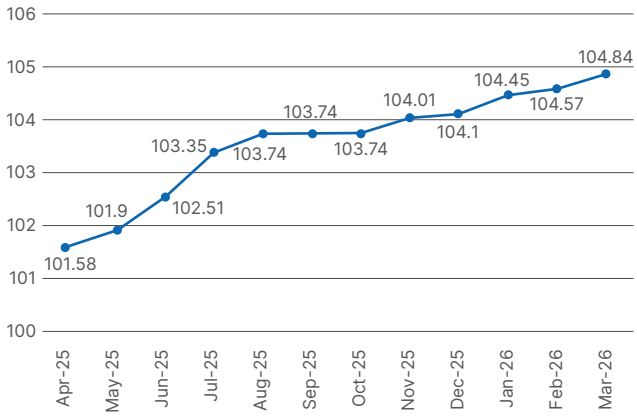
Source: https://www.mospi.gov.in/sites/default/files/press_release/IIP_PR_28may25.pdf

[1] https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026

[2] https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/MAY2026601335EA80D74C2E8E6395683F8D9199.PDF

Inflation stabilised further during the year, moderating to 3.7%, as domestic fuel prices held steady despite changing global energy conditions. Near the end of the fiscal, the impact of the West Asia crisis impacted energy prices, increasing inflationary pressures. India's external financing improved, supported by strong growth in gross and net FDI inflows, with the country continuing to attract significant new greenfield investment.

All India CPI Inflation in FY26



Source: Ministry of Statistics and Program Implementation | Government Of India

The Union Budget FY 2026-27 has planned an 11.5% increase in capital expenditure, including funds transferred to state governments, reflecting the government's strong commitment to infrastructure and strategic assets. While the macro environment points to continued government spending in strategic sectors, risks remain from elevated energy prices and supply chain disruptions linked to the West Asia conflict.

Outlook

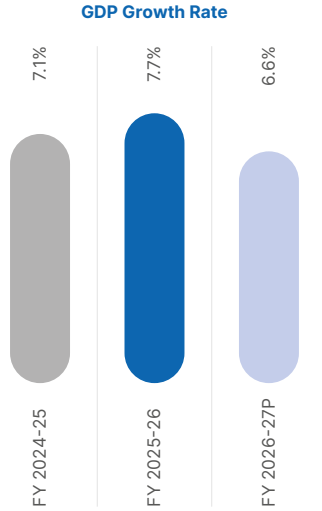
The Indian economy is projected to grow by 6.6% in FY 2026-27, on the back of domestic consumption, investment, structural reforms and public infrastructure spending. CPI inflation is estimated at 4.6%, reflecting the impact of West Asia-related energy price increases and the possibility of below-normal monsoons.

The Union Budget FY 2026-27 outlines a six-point investment strategy focused on manufacturing, traditional industries, MSMEs, infrastructure, energy security, and urban economic zones, backed by higher central capital expenditure and a 22.1% rise in effective capital expenditure.

Externally, India's gross inward FDI rose 18.1% to $88.3 billion in FY 2025-26, led by the technology, financial services, and manufacturing sectors. This growth comes alongside ongoing trade negotiations with the UK, EU, and US, as well as a broader alignment between rising global defence spending and India's focus on domestic defence manufacturing.

India's strong macroeconomic fundamentals, expanding infrastructure, digital transformation, policy reforms and improving manufacturing competitiveness are expected to support medium-term growth and economic resilience amid a changing global environment.

Indian GDP Growth Rate (%)



Source: RBI Bulletin, April 2026

P – Projected

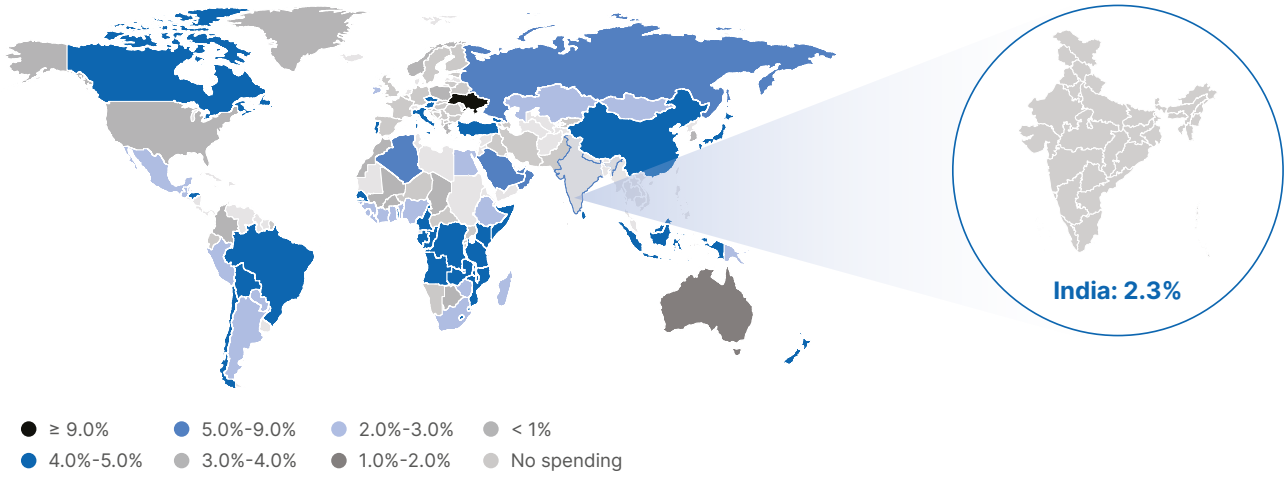
Global Defence Sector[3]

2025 marked a critical year for global defence. New conflicts emerged with expanded frontiers of engagement. In a year of economic geofragmentation and focus on structural sovereignty, countries took steps to reinforce their defensive posture.

Global military spending reached $2,887 billion in 2025, a 2.9% increase in real terms from 2024. The global military burden, which is the military spending as a share of gross domestic product (GDP) remained 2.5%.

[3] https://www.sipri.org/media/press-release/2026/global-military-spending-rise-continues-european-and-asian-expenditures-surge

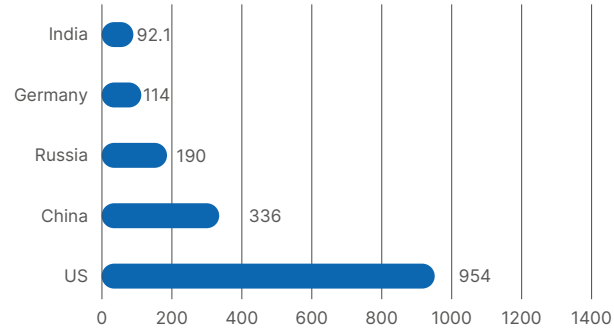
Global Military Burden (Military Expenditure as a Share of Gross Domestic Product)



Source: SIPRI Military Expenditure Database, Apr. 2026

Ongoing conflicts, geopolitical instability and widespread rearmament drives supported the elevated military spending. Notably, while domestic spending declined slightly in the US, military expenditures across the rest of the world rose by 9.2%.

Global Military Expenditure (In billion $)



Source: SIPRI

The US

The US remained the world's largest military spender at $954 billion in 2025, despite slight overall decline. As financial military assistance for Ukraine was removed, the nation focused inwards, investing heavily in conventional and nuclear capabilities. This realignment supports the new National Security Strategy. Looking ahead, US military spending approved by Congress for 2026 will surpass $1 trillion, marking a substantial increase from 2025.

Europe

Europe emerged as the primary driver of global military spending in 2025. Europe's military spending witnessed its fastest growth since 1953, expanding by 14% to reach US$ 864 billion. The continent is making significant strides in defensive self-reliance amid increasing pressure from the US to improve burden sharing within the NATO alliance.

As the war between Russia and Ukraine entered its fourth year, both nations continued to increase their military spending. To support long-term defence infrastructure, the EU announced several flagship projects to be completed by 2028, including

- The European Drone Defence Initiative
- The Eastern Flank Watch
- The European Air Shield
- The European Space Shield

Asia, Oceania and the Middle East

Asia and Oceania spent $681 billion on their military in 2025. Spending increased by 8.1% over 2024, marking the region's largest increase since 2009. Growth was supported by key US allies, including Australia, Japan and the Philippines, scaling up their budgets amid long-standing regional tensions and growing uncertainty around future US support.

Middle Eastern defence spending reached $218 billion, a marginal 0.1% increase over 2024. Besides Israel, most major regional powers expanded their defence budgets as tensions in the region remained elevated.

Growth Drivers

Intensifying Military Conflicts

Ongoing regional wars, particularly in Eastern Europe (Russia-Ukraine) and threats in the Middle East and North Africa, have necessitated increased spending on combat capability and ammunition stocks.

Tensions regarding China's military capabilities and growing influence is driving high expenditures in the Indo-Pacific region, particularly by India and Japan. The number of interstate armed conflicts doubled from three in 2024 to six in 2025. Heightened geopolitical tensions, coupled with states' long-term military spending targets is expected to drive this growth in the near-term.

European Rearmament and NATO Commitments

The European Union's flagship initiative, the ReArm Europe Plan, directs up to €800 billion into the defence sector.[4] NATO members are further aggressively increasing budgets to meet or exceed the 2% GDP target, leading to the fastest growth in European spending since the end of the Cold War. The momentum is supported by the necessity to secure technological sovereignty in a volatile geopolitical environment and to revive Europe's manufacturing sector.

Technological Escalation

Massive investments are being directed towards advanced technologies, including artificial intelligence (AI), unmanned platforms/drones, cyber warfare capabilities and space-based defence systems.

Defence Self-Reliance

Nations are shifting away from international supply chains, focusing on strengthening domestic defence-industrial bases to ensure security of supply and support local technology, exemplified by India's 'Make in India' initiatives.

India's Defence Sector

India's defence production reached an unprecedented peak of ₹ ~1.78 lakh crore, reflecting strong momentum with a 15.6% Y-o-Y growth.[5] Driven by national security imperatives and ongoing regional border dynamics, the armed forces are undergoing rapid modernisation while systematically reducing import dependency. Reflecting this strategic shift, defence exports reached a record ₹38,424 crore in FY 2025-26, marking a 62.66% year-on-year growth.

Defence Public Sector Undertakings (DPSUs) led the export momentum with a 151% annual growth in exports to ₹21,071 crore. This was complemented by contribution from the private sector growing by 14% annually to contribute ₹17,353 crore, reflecting a broader global acceptance of domestic platforms and the sector's deepening integration into international supply chains. Beyond serving as a reliable partner for systems and sub-systems, the country is now successfully exporting defence equipment to over 80 nations as of FY 2025-26.[6]

The Defence Decade

Indigenous defence production has expanded nearly fourfold from ₹ 43,746 crore in FY 2013-14 to ₹ 1.78 lakh crore in FY 2025-26. Over the last decade, the Indian defence sector has undergone a structural shift, transitioning from a buyer to a builder. Operation Sindoor emblemised India's paradigm shift towards calibrated and decisive response to terror attacks. Post the operation, enhanced efforts towards modernisation of forces resulted in the revision of the capital outlay earmarked for Defence Services in the budget estimates from ₹ 1.80 lakh crore to ₹ 1.86 lakh crore in the revised estimates. Defence exports have now reached a record ₹38,424 crore in 2025-26, with exports reaching over 80 countries. **The previous decade focused on laying the foundation of Atmanirbharta and the next decade is geared towards vertical velocity. This era aims at realising 'Amrit Kaal', ensuring that India marks its centenary in 2047 as a shaper of the global order.**

The Union Budget for FY2026-27 has earmarked an outlay of ₹ ~7.85 lakh crore (US$ 88.7 billion). The allocation towards the Defence Ministry was the highest across all the ministries and accounts. Accounting for 14.7% of the total central government expenditure, the budget highlights the nation's impetus towards becoming a global defence manufacturing hub, aligning with the Atmanirbhar Bharat initiative.[7]

[4] https://www.europarl.europa.eu/RegData/etudes/BRIE/2025/769566/EPRS_BRI(2025)769566_EN.pdf

[5] https://www.pib.gov.in/PressReleaseDetail.aspx?PRID=2273824&reg=48&lang=2

[6] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2248124&reg=3&lang=1

[7] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2222601&reg=48&lang=2

Growth Drivers

Atmanirbhar Bharat – Supported by India's Defence Budget

The decade-long policy push for self-reliance has materially transformed the structure of India's defence industrial base. The government has set a target of ₹3 lakh crore in defence production by 2029, reflecting confidence that the trajectory established by the Atmanirbhar Bharat programme is sustainable and scalable

Indigenous defence production rose from ₹46,429 crore in FY 2014-15 to ₹1.78 lakh crore in FY 2025-26. India is gradually transitioning from a major importer to a defence manufacturing nation nearly 65% of defence equipment is now produced domestically, compared with an import dependence of 65–70% earlier.

The draft Defence Acquisition Procedure (DAP) 2026 proposes simpler acquisition categories and stronger support for indigenous design and development, and recommends higher indigenous content requirements of up to 60%, further strengthening domestic manufacturing capabilities.

Growing Export Demand

India's defence export base has broadened significantly in product mix and geographic reach. Defence exports surged from ₹686 crore in FY 2013-14 to a record ₹38,424 crore in FY 2025-26, and the Government has set a target of ₹50,000 crore in defence exports by 2029. The defence exporter base has expanded to 145 firms, reflecting wider industrial participation. Exports now extend to over 80 countries, spanning missiles, radar systems, naval platforms and munitions. The private sector accounted for 45% of export value in FY2026, highlighting the growing role of non-DPSU manufacturers in India's external defence trade.

Make in India, Make for the World

Global geopolitical fragmentation has accelerated the reorientation of defence supply chains away from concentration in a small number of supplier nations. India is positioned to benefit from this structural shift, with its growing manufacturing base, competitive costs, and neutral geopolitical posture making it an increasingly credible alternative source for a range of defence platform components and sub-systems.

Military Modernisation

Under the Budget FY2026-27, ₹1.85 lakh crore has been earmarked for capital acquisition, including projects that will equip the Armed Forces with next-generation fighter aircraft, advanced weapons, Unmanned Aerial Vehicles, ships and submarines etc. The modernisation impetus aims to enhance future capabilities through acquisition of advanced technologies and force multipliers.

India's Explosives and Energetics Market

India is among the largest producers and consumers of industrial explosives globally, with demand anchored in coal and mineral production and the continuing build-out of national infrastructure. Coal India Limited and Singareni Collieries, together with private miners, quarrying and road and irrigation projects, generate sustained demand for bulk and cartridge explosives, while institutional and export channels provide additional avenues of growth. Rising overburden removal at opencast mines and the Government's focus on domestic coal output provide medium-term visibility for industrial explosives volumes.

In parallel, defence energetics high explosives such as TNT, RDX, HMX and PETN, propellants, warheads, fuzes and allied Safety and Arming mechanisms has emerged as a strategic priority under Atmanirbhar Bharat. The Positive Indigenisation Lists place a wide range of munitions and their sub-assemblies under import embargo, while global ammunition restocking and India's export ambitions expand the addressable market for domestically manufactured energetic materials.

The Group is directly positioned in this opportunity following the 100% acquisition of IDL Explosives Limited through Apollo Defence Industries Private Limited, completed on 15 November 2025. IDL brings established manufacturing units across India's key mining belts, long-standing relationships with Coal India subsidiaries and institutional customers, and a growing dealer and export franchise. Combined with the industrial licence secured for the manufacture of high explosives, including TNT and RDX, and the Company's existing strengths in fuzes and weapon electronics, the acquisition enables forward integration from electronics into complete energetic systems.

India's Space Sector

India's space economy has grown to an estimated $8.4 billion, supported by a commercial launch track record and an expanding domestic startup ecosystem now comprising companies operating across launch vehicles, satellites, propulsion systems and space-grade electronics. Nearly 400 foreign satellites have been launched by India since 2014, earning a revenue of $233 million, reflecting the country's growing presence in the global space launch market.[8]

[8] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2220433&reg=48&lang=2

India's Space Wins in FY2025-26

- Fifteen space missions were conducted in FY2025-26, including three Gaganyaan crew module missions and the launch of four earth observation satellites and one communication satellite. A fleet of 19 communication satellites currently operate over India, providing voice, data and broadband services across the country.[10]
- The joint NASA-ISRO Synthetic Aperture Radar (NISAR) satellite was successfully placed in orbit aboard GSLV-F16 from Satish Dhawan Space Centre, the first satellite developed jointly by the two agencies.
- ISRO successfully executed Mission LVM3-M5, which placed CMS-03, India's heaviest communication satellite, into Geosynchronous Transfer Orbit. This mission further achieved the first-ever in-space restart of the indigenously developed C25 cryogenic upper stage.

India plans to deploy 52 surveillance satellites by 2030 to support the Army, Navy and Air Force with real-time situational awareness, border monitoring and operational coordination. Private sector manufacturers are expected to build half of the total constellation, showcasing the growing capabilities of the nation's space manufacturing ecosystem. In the coming decade, India is positioned to expand its market share from ~2% to ~8% through policy reforms, private participation and growing mission-grade services adoption in the country.[10]

Growth Drivers

Space Startups

India has transformed its space ecosystem from being government-led to a robust national ecosystem with increasing role of space start-ups. Between 2014 to 2026, the number of space start-ups in the country have grown from just 1 to 400. Investment in Indian space start-ups has exceeded $500 million, with nearly $150 million attracted in 2025 alone.[11]

Increased Budget Outlay

The Department of Space has been allocated an outlay of ₹13,705.63 crore for the FY 2026-27 to support India's Space Vision 2047 through key programmes such as the Gaganyaan Mission, Bharatiya Antariksh Station (BAS) and the Next Generation Launch Vehicle (NGLV).[12]

Economic Proposition

India's space missions have consistently demonstrated the ability to deliver economically efficient solutions, attracting investment from across the world. The nation has already launched over 400 foreign satellites, indicating the growing interest from foreign businesses.

Space Astronomy

India has steadily reinforced its global standing in advanced space science through pioneering astronomy and in-orbit technology demonstrations. AstroSat, the nation's premier multi-wavelength space observatory, marked a decade of successful operations in September 2025, yielding numerous landmark scientific breakthroughs. This capability was further elevated by the launch of XPoSat, which deepened India's expertise in X-ray astronomy. Today, both platforms continue to function as proposal-driven observatories, serving the global scientific and research community.

Further, India has achieved a major technological breakthrough, as it became only the fourth nation after US, Russia and China to demonstrate the capability of successful docking and undocking in space.

[9] ISRO Annual Report 2025-26

[10] https://kpmg.com/in/en/insights/2025/09/propelling-india-into-a-new-era-of-space-and-innovation.html

[11] https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=158973&ModuleId=3&reg=3&lang=1

[12] https://www.pib.gov.in/PressReleasePage.aspx?PRID=2245313&reg=3&lang=2

Government Initiatives

Technology Development Fund (TDF)

The TDF is a Ministry of Defence instrument, developed to extend financial and technical support to public and private enterprises, with particular emphasis on startups and MSMEs, for the development of critical defence technologies. The scheme provides grants of up to ₹50 crore per project. To date, several technologies have been successfully developed under TDF, and two project systems have been flown in space as part of PSLV missions. As of June 2026, 80 projects with a total cost of ₹334 crore are under implementation.

Chandrayaan Mission

After the success of Chandrayaan-3, making India the first country to achieve a soft landing near the Moon's south pole in 2023, the nation's lunar ambitions have continued to expand with further missions planned in the coming years. The Chandrayaan-4 is scheduled for 2027 with an objective of collecting lunar samples and returning them to Earth. Further ahead, the Chandrayaan-5 mission will explore water and other volatile materials near the lunar south pole.

GAGAN

GAGAN (GPS Aided GEO Augmented Navigation) is an indigenous Satellite-Based Augmentation System co-developed by ISRO and the Airports Authority of India. The platform enhances GPS accuracy and provides vital integrity information for safer aircraft navigation. Globally certified, GAGAN facilitates precise satellite-based landings and supports operations across sectors beyond commercial aviation. By strengthening sovereign navigation infrastructure, it is driving India's strategic push toward technological self-reliance and global prominence in satellite navigation.

National Space Station

The Bharatiya Antariksh Station (BAS), a key pillar of Space Vision 2047, is India's planned five-module space station in Low Earth Orbit engineered for long-duration human spaceflight and advanced scientific research. In September 2024, the Union Cabinet formally approved the development and launch of its first module, BAS-01, by 2028 as part of the expanded Gaganyaan program. The platform is set to enable vital research across life sciences, medicine, and pioneering technologies, while supporting the nation's long-term deep-space exploration goals.

Mission DefSpace

Mission DefSpace operates under the iDEX framework to promote indigenous development of dual-use technologies for India's defence-space ecosystem. The programme has introduced 75 Defence Space Challenges across five domains, including launch systems, satellite systems, communication and payload systems, ground systems and software systems. This has enabled startups, MSMEs and research institutions to co-develop technologies aligned with the operational requirements of the Defence Space Agency and the Indian armed forces. Mission DefSpace represents a deliberate effort to mobilise private sector capability in a domain that had previously been the exclusive preserve of government agencies.

Private Sector Incentivisation

Strategic government initiatives continue to support the private sector's contribution to the space ecosystem. Notable programmes include the liberalised Foreign Direct Investment policy, the IN-SPACe Seed Fund Scheme and the Pre-incubation Entrepreneurship Programme, alongside the pivotal rollout of the ₹1,000 crore Venture Capital Fund and the ₹500 crore Technology Adoption Fund.[13]

[13] doc2026621898801.pdf

Opportunities and Threats



Opportunities

Sustained growth in India's defence budget and capital acquisition outlay, with the Government targeting ₹3 lakh crore of defence production and ₹50,000 crore of exports by 2029; deepening indigenisation through the Positive Indigenisation Lists, the DcPP framework and DAP reforms, which channel procurement towards domestic manufacturers; the Company's entry into explosives and energetics through IDL Explosives, opening adjacent revenue pools in both industrial and defence markets; growing export opportunities as global supply chains diversify and India's credibility as a defence supplier strengthens; and expanding demand for space-grade electronics and dual-use technologies under Mission DefSpace and related programmes.



Threats

Dependence on government procurement cycles, where order finalisation and execution timelines can be long and uneven; intensifying competition from established DPSUs and new private sector entrants; volatility in raw material, component and energy prices, which can compress margins; rapid technology evolution requiring continuous R&D investment to avoid obsolescence; cybersecurity and data-protection risks inherent to defence programmes; and geopolitical developments that may disrupt supply chains or alter procurement priorities.

Company Overview

The Next Chapter of Integration

Apollo Micro Systems Limited is a pioneer in defence technology, specialising in the design, development and manufacture of advanced electronic, electro-mechanical and engineering systems for India's Armed Forces. With multi-domain, multi-disciplinary capabilities and robust infrastructure, the Company is equipped to build cutting-edge defence technologies and produce them at scale for national strategic needs. AMS holds a valid Defence Industrial Licence, is certified to AS9100 Rev D (Aerospace Quality Management), and has delivered mission-critical systems to the DRDO and the Indian Armed Forces, backed by a 41-year track record of indigenous design and delivery. Established in Hyderabad in 1985, the Company has developed more than 700 technologies, with a particular focus on weapon electronics for ground, missile and naval defence applications.

Our Strategic Attributes

Safety an institutionalised process-safety and quality culture across electronics manufacturing and, following the IDL Explosives acquisition, the manufacture and handling of explosives.

Fully Integrated Company capabilities spanning design, development, testing and scale manufacturing across missile systems, satellite and space technology, naval systems, aircraft electronics and homeland security.

R&D a 41-year indigenous engineering base with more than 700 technologies developed and over 150 active defence programmes, continually strengthened with futuristic technologies.

Strong Order Book a healthy order pipeline across DRDO, DPSU and Armed Forces programmes, with solutions qualified for production-phase supply under the DcPP framework.

Diversified and Sustainable Revenue presence across the land, air and sea domains, together with industrial explosives and a growing export franchise, reducing dependence on any single programme or customer.

Recognising that defence and space applications demand reliability under extreme conditions, AMS applies advanced engineering practices to ensure its systems perform without failure during critical operations. The Company has a proven track record of supplying integrated defence solutions, covering small systems to complete platforms including explosives.

Beyond hardware, AMS delivers integrated solutions for secure communications, underwater electronic warfare, and air defence, providing clients with dependable, mission-ready capabilities tailored to their operational needs. The Company also produces Commercial Off-the-Shelf (COTS) solutions customised for the defence and space sectors.

AMS is currently involved in over 150 indigenous defence programmes, with its solutions qualified for inclusion in the production-phase supply chain under the Development cum Production Partner (DcPP) framework. The Company is an approved vendor for the DRDO and the DPSU.

The Company currently operates two facilities in Hyderabad (Mallapur and Adibatla) and is building a new 350,000 sq. ft. integrated facility at Hardware Park-II. The new unit will significantly expand capacity to manufacture critical components including fuzes, mines and inertial navigation systems.

FY 2025-26 Milestones

Completed the Integration of IDL Explosives Limited the 100% acquisition through Apollo Defence Industries Private Limited was completed on 15 November 2025, and IDL has been integrated into the Group's operations, financial reporting and safety framework.

Greenfield Expansion advancing a major greenfield expansion project in Telangana, including the new 600,000 sq. ft. integrated facility at Hardware Park-II, to boost manufacturing output.

Strategic Acquisition executed a 100% acquisition of IDL Explosives Limited, marking the Group's entry into the explosives and energetics value chain.

First Export Order successfully received the Company's first-ever export order.

Mutual Partnerships entered a tripartite alliance with the Indian Navy and IIT Madras (Chennai), and signed a Memorandum of Understanding with Garden Reach Shipbuilders & Engineers (GRSE).

Licences Awarded obtained an industrial licence for the manufacture of high explosives, including TNT and RDX, through the IDL Explosives subsidiary, and secured a comprehensive DPIIT licence covering UAVs, INS systems, radars, torpedoes, underwater mines, ATGMs, decoys, chaffs and flares, aerial bombs, rockets, missiles and loitering munitions.

Latest Technologies received Transfer of Technology for advanced electro-optical tracking systems, strengthening next-generation capability integration.

Directed Energy Weapon received Transfer of Technology for Directed Energy Weapons (DEWs), including laser-based variants.

VMCDS vehicle-mounted counter-drone systems are advancing, with field trials scheduled for FY 2026-27.

Segment-wise Performance

The Company operates in a single reportable segment, namely electromechanical components and systems and allied components and services, and accordingly segment-wise disclosure under Ind AS 108 is not applicable. On a consolidated basis, the Group's operations additionally include the manufacture of industrial explosives through IDL Explosives Limited, consolidated with effect from 15 November 2025.

Financial Performance

Revenue from operations achieved during FY2026 was ₹76,485.32 lakhs, as against ₹56,206.92 lakhs in the previous year, registering 36.08% year-on-year growth. On a consolidated basis, revenue from operations for FY 2025-26 stood at ₹90,432.38 lakhs, which includes IDL Explosives Limited, consolidated with effect from 15 November 2025.

Profit before tax (PBT) was recorded at ₹17,462.69 lakhs against ₹8,380.43 lakhs during the previous year.

Profit after tax (PAT) for the year stood at ₹12,057.89 lakhs against ₹5,724.16 lakhs in the previous year.

EBITDA grew by 73.50% YoY to ₹23,122.03 lakhs in FY2026, compared to ₹13,326.72 lakhs in FY25.

EBITDA margin for FY26 stood at 30.23%, improved by 6.52 bps on a YoY basis.

Total borrowings of AMS as of March 31, 2026 stood at ₹48,504.50 as compared to ₹29,069.20 lakhs as on March 31, 2025.

AMS's interest cost in FY26 increased by 8.67% from ₹3,710.46 lakhs in FY25 to ₹3,414.35 lakhs.

As on 31st March, 2026, the Company's Equity Capital stood at ₹3,572.92 lakhs compared to ₹3,064.90 lakhs as of 31st March, 2025.

The Company's tangible asset as of 31st March, 2026, stood at ₹27,091.52lakhs vis-à-vis ₹17,583.65 lakhs as on 31st March, 2025, an increase of 54.07%

Cash and cash equivalents as of 31st March, 2026 stood at ₹20,24.62 lakhs as compared to ₹21.58 lakhs as on 31st March, 2025, an increase of 9,283.22%.

Summary of Profit and Loss (₹ in lakhs)

Metric	FY26	FY25	% Change
Revenue	76,485.32	56,206.92	36.08
Gross profit	26,759.20	16,510.31	62.08
Total opex	11,030.22	8,534.71	29.24
EBIDTA	23,122.03	13,326.72	73.50
Depreciation	1,948.88	1,531.94	27.22
EBIT	21,173.15	11,794.78	79.51
Finance cost	3,710.46	3,414.35	8.67
Profit before Tax (PBT)	17,462.69	8,380.43	108.37
Profit after Tax (PAT)	12,057.89	5,724.16	110.65

Summary of Balance Sheet (₹ in lakhs)

Metric	FY26	FY25
Equity and Liabilities		
Equity Share Capital	3,572.92	3,064.90
Other Equity	1,28,660.44	57,797.00
Non-current Liabilities	17,990.86	8,448.50
Current Liabilities	79,199.44	56,913.36
Total Equity and Liabilities	**2,29,423.66**	**1,26,223.76**
Assets		
Non-current Assets	34,309.00	3,358.86
Fixed Assets	44,710.38	23,956.14
Current Assets	1,50,404.28	98,908.76
Total Assets	**2,29,423.66**	**1,26,223.76**

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	FY26	FY25	Reason for Change
Profitability Ratios			
Gross Profit Margin	34.99%	29.37%	Due to increase in profits margin during the year
EBITDA Margin	30.23%	23.71%	Operating leverage on 36.1% revenue growth and a lower net material cost ratio
EBIT Margin	27.68%	20.98%	Higher EBITDA with a moderate increase in depreciation
Operating Profit Margin (%)	25.42	20.26%	Due to increase in profits margin during the year
Profit Before Tax Margin	22.83%	14.91%	Margin expansion and contained finance costs
Profit After Tax Margin (%)	15.76%	10.18%	Higher profit before tax with a broadly stable effective tax rate
Return Ratios			
Return on Equity (RoE)	12.49	10.15	Due to increase in profit during the year
Return on Capital Employed (ROCE)	0.14	0.17	Due to increase in total during the year
Return on Net Worth (RONW)	9.12	9.41	Due to increase in total share capital and other equity
Leverage & Coverage Ratios			
Net debt-to-equity ratio	0.73	1.07	Due to increase in equity during the year
Interest coverage ratio	5.71	3.45	EBIT growth of 79.5% outpaced the increase in finance costs
Efficiency & Liquidity Ratios			
Inventory turnover ratio	0.73	0.77	Due to increase in inventories during the year
Debtors' turnover ratio	2.21	2.37	Due to increase in receivables during the year
Current ratio	1.90	1.74	Due to increase in currents assets during the year

Significant Changes in Key Financial Ratios

This table highlights key financial ratios that have changed by 25% or more in FY26 compared to the previous financial year.

Key Financial Ratio	FY26	FY25	% Change
Debt service coverage ratio	5.95	7.28	(18.27)
Return on equity ratio	12.49	10.15	23.06
Trade receivable turnover ratio	2.21	2.37	(6.77)
Net profit ratio	15.76	10.18	54.80

Outlook

The Company's strategic focus centres on ascending the value chain to emerge as a global Original Equipment Manufacturer (OEM), providing comprehensive, highly reliable solutions. By capitalising on domestic capabilities and aligning with national defence programmes, the Company intends to broaden its reach within the Indian market. Concurrently, it plans to expand its international presence by supplying sophisticated, export-ready systems.

The Company's strategic goals include entry into major heavy defence domains including armament electronics, fire control systems, battle tanks, infantry combat vehicles and artillery platforms. Vehicle-mounted counter-drone systems are already advancing, with field trials scheduled for the FY2026-27.

Risk Management

The Company operates within a complex and dynamic regulatory landscape that presents various challenges. To navigate this, it employs a structured risk management framework. This involves active collaboration between senior management and all department heads to identify potential internal and external risks that could impact our strategic objectives. Key areas of focus include regulatory changes, market competition, technological advancements, cybersecurity, macroeconomic and political shifts, and ESG considerations. To guarantee its ongoing effectiveness and safeguard stakeholder interests, the executive leadership reviews the overarching risk management policy annually.

Key risks monitored under this framework include:

Order and customer concentration order-book concentration and dependence on government customers, mitigated through diversification across programmes, platforms and, increasingly, exports;

Execution and technology programme execution and technology risk on complex, qualification-driven systems, addressed through stage-gated development, rigorous testing and a 41-year indigenous engineering base;

Raw material and supply chain input cost volatility across electronic components, metals and energetic raw materials, managed through long-term vendor arrangements and pass-through pricing where available;

Working capital elevated working capital intensity typical of defence contracts, addressed through milestone-linked billing and disciplined receivables management;

Regulatory and licensing licensing and compliance obligations, which have widened with the addition of explosives manufacturing under the Explosives Act, 1884 and allied rules, met through dedicated compliance functions and statutory audits; and

Cybersecurity protection of classified programme data and operational technology, reinforced through access controls, network segregation and periodic security assessments.

Human Resources

The Company considers its workforce to be the foundation of its success, placing high value on employee well-being, continuous development, and security. AMS remains committed to nurturing a safe, inclusive and supportive workplace that promotes diversity and supports personal growth. The Company's achievements are deeply rooted in its ability to attract, develop, and retain top talent, reinforced by continuous training initiatives and a collaborative team culture. To uphold a secure work environment, robust health, safety and sensitivity programs are enforced across all corporate offices and manufacturing facilities. As of 31st March, 2026, our workforce consisted of over 434 employees. Industrial relations remained cordial and productive throughout the year.

Health and Safety

The Company maintains robust health and safety protocols, strengthened through consistent training and awareness campaigns for all personnel. It proactively works to detect and mitigate potential occupational hazards across all operational touchpoints. By embedding extensive safety measures within both its corporate offices and manufacturing sites, the Company continuously identifies and resolves risks while enhancing the overall safety performance.

Following the acquisition of IDL Explosives Limited, the Group's safety framework extends to the manufacture, storage and transportation of explosives, which are governed by stringent licensing and process-safety requirements under the Explosives Act, 1884 and the Explosives Rules, 2008. IDL's plants operate institutionalised safety management systems, including permit-to-work controls, regular mock drills, statutory inspections and safety audits, and the unit's long safety track record and industry recognition further strengthen the Group's overall safety culture.

Internal Control Systems

To uphold operational integrity, the Company utilises an internal control framework tailored to the scale and complexity of its operations, under the oversight of the Board of Directors. The primary goals of these controls are to protect corporate assets, guarantee the accuracy of financial and operational data, ensure strict legal compliance and enforce company policies. An independent internal audit team, which reports directly to the Chairman of the Audit Committee, routinely evaluates these systems. Based on their assessments, management executes necessary corrective measures to continuously strengthen the overall control environment.

Cautionary Statement

This Management Discussion and Analysis (MD&A) 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, it is 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-Nineth (29th) Annual General Meeting ("AGM") of the Members of Apollo Micro Systems Limited ("the Company") will be held on Wednesday, the 30th day of September, 2026 at 2.00 pm (IST) at the registered office of the company situated at Plot No.128/A, Road No.12, IDA Mallapur, Hyderabad-500076 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, 2026, 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, 2026 including the Audited Balance Sheet as at 31st March, 2026; 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, 2026 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, 2026 including the Audited Balance Sheet as on 31st March, 2026 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, 2026 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, 2026 and the same be paid out of the profits of the Company."

4. Re-appointment of Mr. Aditya Kumar Halwasiya as Director, liable to retire by rotation

To appoint a Director in place of Mr. Aditya Kumar Halwasiya [DIN: 08200117], who retires by rotation and, being eligible, offers himself 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, Mr. Aditya Kumar Halwasiya [DIN: 08200117], who retires by rotation and being eligible offers himself 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, 2027.

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. Approval for giving Loan or Guarantee or providing Security in connection with loan availed by Shauryastra Defence Systems 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 Shauryastra Defence Systems Private Limited, up to a sum not exceeding Rs. 200 crores 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."

7. To consider and approve material related party transactions

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

"RESOLVED THAT pursuant to the 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 from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting 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	Apollo Defence Industries Private Limited (ADIPL)	Subsidiary
2	Apollo Strategic Technologies Private Limited (ASTPL)	Step down subsidiary
3	Ananya SIP RF Technologies Private Limited (ASRTPL)	Subsidiary
4	IDL Explosives Limited	Step down subsidiary
5	Shauryastra Defence Systems Private Limited	Associate Company

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. To consider and approve the Conversion of Loan into Equity

To consider and, if thought fit, to pass the follo¬wing resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to provisions of Section 62(3) of the Companies Act, 2013 and any amendments thereto, and other applicable provisions and rules made thereunder, the consent and approval of the Company be and is hereby accorded to the board of directors (or any committee or sub-committee thereof) of the Company; for conferring a right on the Lender in relation to or in connection with the secured aggregating working capital and term loan facilities of up of Rs. Rs.635,90,00,000/- (Rupees Six Hundred Thirty Five Crores and Ninety Lakhs Only) proposed to be availed by the Company from the Lender, under the terms of the documents to be executed in relation to the Facility with the Lender, to convert the outstanding amounts (whether due or payable or not) of the Lender, in part or in whole, into equity shares of the Company, in a stressed situation for restructuring of debt of the Company in accordance with the regulatory guidelines issued from time to time by the Reserve Bank of India (including but not limited to the Prudential Framework for Resolution of Stressed Assets dated June 7, 2019, as amended from time to time), and subject to applicable laws, and which equity shares shall rank pari passu with the other equity shares of the Company.

\RESOLVED FURTHER THAT the board of directors of the Company be and is hereby authorised to negotiate, finalise and execute all deeds and documents and take all steps and do all such acts, matters, deeds and things and give such directions as may be required, necessary, expedient or desirable for giving effect to the aforesaid resolution, and also further to comply with the requirements, if any, under applicable laws and the Companies Act, 2013."

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

Sd/-
G.Seshadri Vasan
Company Secretary & Compliance Officer

Place: Hyderabad
Date: 08 September, 2026

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 29th 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 Circular No.03./2025, dated 22nd September, 2025, Circular No 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, 6, 7 & 8 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 2025-26 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 2025-26 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 and www.nseindia.com, respectively, CDSL i.e. www.evotingindia.com and on the website of Company's Registrar and Transfer Agent, Bigshare Services Private Limited ("Bigshare") at 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.

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 with a copy marked to cs@apollo-micro.com

   However, the Body Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

9. The Company has fixed **Wednesday, 23rd September, 2026** as the 'Record Date' for determining entitlement of members to dividend for the financial year ended 31st March, 2026, 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 2025-26, 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 Wednesday, 23rd September, 2026 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, Final Dividend declared for the financial year 2023-24 and Final Dividend declared for the financial year 2024-25 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 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 15th September, 2026 to email id 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.

    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/.

15. 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 by 11:59 p.m. IST on **Tuesday, 15th September, 2026**. 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. The aforesaid declarations and documents need to be submitted by the shareholders on or before by 11:59 p.m. IST on **Tuesday, 15th September, 2026.**

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
    (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
    Website: www.bigshareonline.com

18. As directed by SEBI, Members are requested to-

    i) 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.

    ii) 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 and 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.

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 JOININGVIRTUAL MEETINGSARE 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 **Friday, 25th September, 2026 (09:00 A.M. IST)** and ends on **Tuesday, 29th September, 2026 (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 **23rd September, 2026** 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 **CDSL Depository**	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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 & 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLoginThe system will authenticate the user by sending OTP on registered Mobile & 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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with **NSDL Depository**	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: https://eservices.nsdl.com 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 & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	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 & voting during the meeting.

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 **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.comor contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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.

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 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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 OR Date of Birth (DOB)	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. • 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.

(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 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.
- 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 mandatory 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; srimadati@gmail.com and 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 23rd September 2026, 11:59 P.M. mentioning their name, demat account number/ folio number, email id, mobile number at company email id 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 23rd September 2026, 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. 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 or contact at toll free no. 1800 22 55 33

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 or call toll free no. 1800 22 55 33.

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

Sd/-
G.Seshadri Vasan
Company Secretary & Compliance Officer

Place: Hyderabad
Date: 8th September, 2026

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. Aditya Kumar Halwasiya
Director Identification Number (DIN)	08200117
Date of Birth / Age	09/08/1994 (30 Years)
Date of first appointment on the Board	21/01/2023
Educational Qualification	Mr. Aditya Kumar Halwasiya holds a 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.
Experience (including expertise in specific functional areas) / Brief Resume	He is a Dynamic 3rd Generation Entrepreneur, Investor and Scion of the Pan - India Universal -Halwasiya Group founded by the Late Shri Madan Mohan Halwasiya in the early 1960s. The Universal-Halwasiya Group has a Turnover in excess of INR 2,000 crores annually. He is a shareholder & director in the automobile, industrial oils and specialty chemicals Manufacturing company Universal Petro-Chemicals Ltd and actively looks after business marketing since 2019. He has an advisory role since 2019 in the family concern Columbia Petrochem Ltd also in the automobile, industrial oils and specialty chemicals business. He actively manages and oversees a sizeable portfolio of Capital Market Investments and Real Estate Investments & Projects in India.
Directorships held in other companies	Cupid Limited Olka Technologies (OPC) Private Limited Universal Petro-Chemicals Ltd
Memberships/ Chairmanships of committees across companies	Cupid Limited- Member of CSR Committee, Stakeholders Relationship Committee and Risk Management Committee. Universal Petro-Chemicals Ltd – Member of Audit committee and Nomination and Remuneration 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	15,00,000

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, Mr. Aditya Kumar Halwasiya, retires by rotation at the meeting. The Board of Directors recommends his 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 18th May, 2026 considered the appointment of Messrs G H REDDY & ASSOCIATES, Cost Accountants (Firm Registration Number – 002110) as the Cost Auditors of the Company for FY 2026-27. At the said meeting, the Audit Committee also considered the remuneration of Rs.1,50,000/- (plus applicable taxes and reimbursement of out-of-pocket expenses) payable to the Cost Auditors for FY 2026-27.

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 2026-27 at a remuneration of Rs.1,50,000/- (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 2026-27. The Board, also on the recommendations of the Audit Committee approved the remuneration of Rs.1,50,000/- (excluding applicable taxes and reimbursement of out-of-pocket expenses) payable to Cost Auditors for FY 2026-27.

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 must 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, 2027.

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: 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 Shauryastra Defence Systems Private Limited (SDSPL), a Company in which Apollo Micro Systems Limited has made an investment of 34% in the equity share capital of SDSPL in whom Mr. Karunakar Reddy Baddam, the Managing Director of the Company is a Director, and is deemed to be interested (collectively referred to as the "Entities"), from time to time. SDSPL has been incorporated as a dedicated technology and development entity, with a mandate to undertake the research, design and development of complete weapon systems, long range systems and allied defence platforms for the Indian Armed Forces. The entity will pursue unsolved and futuristic operational problem statements of the Armed Forces, under the leadership of Dr. V. K. Saraswat, former Secretary, Department of Defence R&D and Director General, DRDO, while leveraging the Company's established design, development, manufacturing and integration capabilities. 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 ₹ 200 Crores.

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. 6. of this Notice for your approval as a Special Resolution.

Mr. Baddam Karunakar Reddy Managing Director and his 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. 6. of this Notice.

Suggested

ITEM NO.7 TO CONSIDER AND APPROVE MATERIAL RELATED PARTY TRANSACTIONS

The provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI Listing Regulations"), inter alia, prescribe the requirements relating to related party transactions, including the approval of material related party transactions by the members of a listed entity.

Regulation 23 of the SEBI Listing Regulations requires the listed entity to formulate a policy on materiality of related party transactions and on dealing with related party transactions, including clear threshold limits duly approved by the Board of Directors. Further, all material related party transactions and subsequent material modifications, as defined by the Audit Committee, require prior approval of the members of the Company by means of an ordinary resolution, notwithstanding the fact that such transactions may be in the ordinary course of business and may be undertaken on an arm's length basis.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, with effect from April 1, 2022, a transaction with a related party shall be considered material if the transaction(s) to be entered into, either individually or taken together, during a financial year, whether directly and/or through its subsidiary(ies), exceed(s) ₹1,000 crore or 10% of the annual consolidated turnover of the listed entity as per its last audited financial statements, whichever is lower.

From the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, the Company and certain of its subsidiary(ies)/Associate Company(ies) propose to enter into certain related party transaction(s), as mentioned in the resolution set out at Item No. 7 of this Notice, on mutually agreed terms and conditions.

The aggregate value of the proposed transaction(s) is expected to exceed the applicable materiality threshold prescribed under Regulation 23 of the SEBI Listing Regulations. Accordingly, the proposed transaction(s) would constitute material related party transaction(s) and, therefore, require the prior approval of the members of the Company.

Accordingly, the approval of the members is being sought by way of an Ordinary Resolution for entering into the proposed arrangements and transactions by the Company and/or its subsidiary(ies)/Associate Company(ies) with the related parties specified in the resolution, from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, up to the maximum aggregate value specified therein.

It is clarified that as on the date of this Notice, no transaction pursuant to the proposed arrangements has been undertaken by the Company and/or its subsidiary(ies)/ Associated Company(ies). The approval of the members is being sought solely for the proposed related party transaction(s) to be entered into from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

All the proposed transactions shall be undertaken on mutually agreed terms and conditions and shall be in the ordinary course of business of the Company and/or its subsidiary(ies), as applicable. The proposed transactions shall be undertaken on an arm's length basis, having regard to the nature of the transactions, prevailing market conditions, commercial considerations and other relevant factors.

The Company has in place a Related Party Transactions Policy in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The proposed transactions are in accordance with the said Related Party Transactions Policy of the Company.

The Audit Committee of the Company has, on the basis of the relevant details and information provided by the management as required under applicable law, reviewed

and approved the proposed transaction(s), subject to approval of the members of the Company.

While considering the proposed transaction(s), the Audit Committee has taken into consideration the nature of the transactions, the identity and relationship of the related parties, the proposed value, material terms and conditions, the commercial rationale and business requirements and the arm's length nature of the proposed transactions.

The Audit Committee has noted that the proposed transaction(s) shall be undertaken in the ordinary course of business and on an arm's length basis and are in accordance with the Related Party Transactions Policy of the Company.

The proposed transactions are expected to provide operational and commercial benefits to the Company and/ or its subsidiary(ies), as applicable, and are proposed to be entered into based on the business requirements of the Company and its subsidiary(ies).

Voting by Related Parties

In terms of Regulation 23(4) of the SEBI Listing Regulations, no related party shall vote to approve the resolution, whether or not the related party is a party to the particular transaction(s) contemplated under the resolution.

The details of transactions as required under Regulation 23(4) of the Listing Regulations read with Section III-B of the SEBI Master Circular bearing reference no. SEBI/ HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated 30th January 2026 ("SEBI Master Circular") along with details as required under the Industry Standards on "Minimum information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("RPT Industry Standards") are set forth below

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
A(1) Basic details of the related party						
1	Name of the Entity	Apollo Micro Systems Limited				
2	Name of the Related Party	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private
3	Country of Incorporation of the Related Party			India		
4	Nature of Business of the Related Party	Aerospace and Defence	Professional Scentific and Technical Activities	Aerospace and Defence	Manufacturing of Explosives	Designing and develop defence system platform
A(2) Relationship and Ownership of the related party						
Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party including nature of its concern (financial or otherwise) and the following:						
5	Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	76%	51%	51%	76%	34%

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
6	Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).			Not applicable		
7	Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).	Nil	Nil	Nil	Nil	Nil
A(3) Details of previous transactions with the related party						
8	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year i.e. for FY 2025-26. (Gross amount)	12756.33 Lakhs	1662.71 Lakhs	13.09 Lakhs	18813.84 Lakhs	Nil
9	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	333.81 Lakhs	61.47 Lakhs	0.60 Lakhs	(4104.26 Lakhs)	-

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
10	Default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year	NA	NA	NA	NA	NA
(A4) Amount of the proposed transaction(s)						
11	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee / shareholders.	150 Crores	1 Crore	30 Crores	300 Crores	30 Crores
12	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?			Yes		
13	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year (in %)	16.59%	3.31%	3.31%	33.18%	3.31%

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
14	Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)			Not applicable		
15	Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year			Not applicable		
16	Financial performance of the related party for the immediately preceding financial year i.e. 2025-26					
	Turnover	182.67 Lakhs	-	-	37,979.77 Lakhs	-
	Profit After Tax	(1547.71 lakhs	(250.46 Lakhs)	(1.89 Lakhs)	(395.64 Lakhs)	-
	Net worth	(1558.24 Lakhs)	(55.45 Lakhs)	(1.82 Lakhs)	(3924.41 Lakhs)	-
A(5) Basic details of the proposed transaction						
17	Specific type of the proposed transaction (e.g. sale of goods/ services, purchase of goods/services, giving loan, borrowing etc.)	Intercorporate Loans to be advanced to subsidiaries as and when required during the financial year 2027.	Intercorporate Loans to be advanced to subsidiaries as and when required during the financial year 2027.	Intercorporate Loans to be advanced to subsidiaries as and when required during the financial year 2027.	Intercorporate Loans to be advanced to subsidiaries as and when required during the financial year 2027.	Investment to be made by way of Equity infusion or intercorporate loans to be advanced to Associate Company
18	Details of each type of the proposed Transaction	Same as above				
19	Tenure of the proposed transaction	One year				

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
20	Whether omnibus approval is being sought?	Yes				
21	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	Intercorporate Loans and for issue of corporate guarentee	Intercorporate Loans	Intercorporate Loans and for issue of corporate guarentee	Intercorporate Loans and for issue of corporate guarentee	Investment to be made or Intercorporate Loans
22	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	The proposed transactions are expected to provide operational and commercial benefits to the Company and/or its subsidiary(ies), as applicable, and are proposed to be entered into based on the business requirements of the Company and its subsidiary(ies).				
23	Details of the promoter(s) / director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly					
24	a. Name of the director / KMP	Mr. Karunakar Reddy Baddam. Mr.Addepalli Krishna Sai Kumar	Mr. Karunakar Reddy Baddam Mr. Raghupathy Goud Theegala, Mr. Sudarshan Chiliveru, CFO	Mr. Karunakar Reddy Baddam. Mr.Addepalli Krishna Sai Kumar	Mr. Karunakar Reddy Baddam. Mr.Addepalli Krishna Sai Kumar, Mr. Raghupathy Goud Theegala, Ms. Karunasree Samudrala and Mr. Chandrashekar Matham	Mr. Karunakar Reddy Baddam
25	b. Shareholding of the director /KMP, whether direct or indirect, in the related party	Karunakar Reddy Baddam :14% Addepalli Krishna Sai Kumar : 10%	Sudarshan Chiluveru CFO 3%	Karunakar Reddy Baddam: 1% Addepalli Krishna Sai Kumar: 1%	Nil	Nil

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
26	A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee			Nil		
27	Other relevant information for decision making			Nil		
B(1)Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances						
28	Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.			Nil		
29	Basis of determination of price			Nil		
30	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice), if any, proposed to be extended to the related party in relation to the transaction, specify the following: a. Amount of Trade advance b. Tenure c. Whether same is self-liquidating?			Nil		
B(2) Disclosure only in case of transactions relating to loans and advances (other than trade advances) or inter-corporate deposits given by the listed entity or its subsidiary						
31	Source of funds in connection with the proposed transaction.	From Internal Accruals	From Internal Accruals	From Internal Accruals	From Internal Accruals	From Internal Accruals
32	Where any financial indebtedness is incurred to give loan, inter-corporate deposit or advance, specify the following:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
33	a. Nature of indebtedness b. Total cost of borrowing c. Tenure d. Other details	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
34	Rate of interest at which the listed entity or its subsidiary is borrowing from its bankers/ other lenders.	Apollo Micro-9.81% Subsidiary - Nil	Apollo Micro-9.81% Subsidiary - Nil	Apollo Micro-9.81% Step Down Subsidiary - Nil	Apollo Micro-9.81% Step Down Subsidiary - 9.5	Apollo Micro-9.81% Associate - Nil
35	Proposed interest rate to be charged by listed entity or its subsidiary from the related party.	9.90%	9.90%	9.90%	9.90%	9.90%
36	Maturity / due date	Nil	Nil	Nil	Nil	Nil
37	Repayment schedule & terms	Nil	Nil	Nil	Nil	Nil
38	Whether secured or unsecured?	Unsecured	Unsecured	Unsecured	Unsecured	Unsecured
39	If secured, the nature of security & security coverage ratio	Nil	Nil	Nil	Nil	Nil
40	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the transaction.	For meeting day to day working capital requirements and for aquisitions	For meeting day to day working capital requirements	For meeting day to day working capital requirements	For meeting day to day working capital requirements	For meeting day to day working capital requirements
B(3) Disclosure only in case of transactions relating to investment made by the listed entity or its subsidiary						
41	Source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
42	Where any financial indebtedness is incurred to make investment, specify the following:	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
43	a. Nature of indebtedness b. Total cost of borrowing c. Tenure d. Other details	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
44	Purpose for which funds shall be utilized by the investee company.	The funds shall be utilised by the Subsidiary for its day to day working capital requirements and capital expenditure	The funds shall be utilised by the Subsidiary for its day to day working capital requirements and capital expenditure	The funds shall be utilised by the Subsidiary for its day to day working capital requirements and capital expenditure	The funds shall be utilised by the Subsidiary for its day to day working capital requirements and capital expenditure	The funds shall be utilised by the Associate Company for its day to day working capital requirements and capital expenditure
45	Material terms of the proposed transaction	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
B(4) Disclosure only in case of guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary.						
46	(a) Rationale for giving guarantee, surety, indemnity or comfort letter	Not applicable	Not applicable	Not applicable	The proposed Guarantee to be granted towards raising or renewal of working capital debt	Not applicable
47	(b) Whether it will create a legally binding obligation on listed entity?	Not applicable	Not applicable	Not applicable	Yes	Not applicable
48	Material covenants of the proposed transaction including:					
	(i) commission, if any to be received by the listed entity or its subsidiary;	Not applicable	Not applicable	Not applicable	Guarantee Commission at arms length and as permitted by lenders	Not applicable

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
	(ii) contractual provisions on how the listed entity or its subsidiary will recover the monies in case such guarantee, surety, indemnity or comfort letter is invoked.	Not applicable	Not applicable	Not applicable	The related party will indemnify the Company for any losses that may arise on account of invocation of guarantees / undertakings / letters of comforts	Not applicable
49	The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary.	Not applicable	Not applicable	Not applicable	Rs. 300.00 Crores	Not applicable
50	Any provisions required to be made in the books of account of the listed entity or any of its subsidiary	Not applicable	Not applicable	Not applicable	No provision is required to be made in the books of accounts	Not applicable
B(5) Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary						
51	Material covenants of the proposed Transaction	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties
52	Interest rate	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties
53	Cost of borrowing	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
54	Maturity / due date	One year	One year	One year	Guarantee will remain till the closure of the Loan by step down subsidiary	One year

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
55	Repayment schedule & terms	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties	As mutually agreed between the parties
56	Whether secured or unsecured	Un Secured	Un Secured	Un Secured	Un Secured	Un Secured
57	If secured, the nature of security & security coverage ratio			Not applicable		
58	The purpose for which the funds will be utilized by the listed entity / subsidiary	Day to day working capital needs and investment in projects and for aquisitions	Day to day working capital needs and investment in projects	Day to day working capital needs and investment in projects	Day to day working capital needs and investment in projects	Day to day working capital needs and investment in projects
B(6) Disclosure only in case of transactions relating to sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate						
59	Bidding or other process, if any, applied for choosing a party for sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
60	Basis of determination of price.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
61	Reasons for sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
62	Financial track record of the subsidiary / undertaking that is being sold (in case of sale of undertaking, segment level data to be provided) during the last three financial years:	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
63	Turnover Networth Net Profit	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
64	Expected financial impact on the consolidated turnover, net worth and net profits of the listed entity or its subsidiary due to sale of the subsidiary / undertaking.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
65	a. Expected impact on turnover b. E xpected impact on net worth c. Expected impact on net profits					
C(1) Disclosure only in case of transactions relating to any loans and advances (other than trade advances), inter-corporate deposits given by the listed entity or its subsidiary						
66	Latest credit rating of the related Party	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
67	Default on borrowings, if any, over the last three financial years, by the related party from the listed entity or any other person and value of subsisting default.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
C(2) Disclosure only in case of transactions relating to any investment made by the listed entity or its subsidiary						
68	Latest credit rating of the related Party	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
69	Whether any regulatory approval is required. If yes, whether the same has been obtained.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
C(3) Disclosure only in case of transactions relating to any guarantee (including performance guarantee in nature of security/contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter, by whatever name called, made or given by the listed entity or its subsidiary						

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
70	If guarantee, performance guarantee (in nature of security/ contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee), surety, indemnity or comfort letter is given in connection with the borrowing by a related party, provide latest credit rating of the related party	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
71	Details of solvency status and going concern status of the related party during the last three financial years					
72	Financial Year 2025-26	NA	NA	NA	NA	NA
73	Financial Year 2024-25	NA	NA	NA	NA	NA
74	Financial Year 2023-24	NA	NA	NA	NA	NA

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
75	The value of obligations undertaken by the listed entity or any of its subsidiary, for which a guarantee, performance guarantee (in nature of security/ contractual commitment or which could have an impact in monetary terms on the issuer of such guarantee) surety, indemnity or comfort letter has been provided by the listed entity or its subsidiary. Additionally, any provisions required to be made in the books of account of the listed entity or any of its subsidiary shall also be specified.	Not applicable	Not applicable	Not applicable	Rs. 300 Crores	Not applicable
76	Default on borrowings, if any, over the last three financial years, by the related party from the listed entity or any other person.					
a.	Whether the account of the related party has been classified as a nonperforming asset (NPA) by any of its bankers and whether such status is currently subsisting;	No	No	No	No	No
b.	Whether the related party has been declared a “wilful defaulter” by any of its bankers and whether such status is currently subsisting;	No	No	No	No	No

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
c.	Whether the related party is undergoing or facing any application for commencement of an insolvency resolution process or liquidation;	No	No	No	No	No
d.	Whether the related party, not being an MSME, suffers from any of the disqualifications specified under Section 29A of the Insolvency and Bankruptcy Code, 2016.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
C(4) Disclosure only in case of transactions relating to borrowings by the listed entity or its subsidiary						
77	Debt to Equity Ratio of the listed entity or its subsidiary based on last audited financial statements					
	a. Before transaction					
	b. After transaction	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt to Equity Ratio cannot be computed with reference to a specific figure.	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt to Equity Ratio cannot be computed with reference to a specific figure.	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt to Equity Ratio cannot be computed with reference to a specific figure.	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt to Equity Ratio cannot be computed with reference to a specific figure.	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt to Equity Ratio cannot be computed with reference to a specific figure.
78	Debt Service Coverage Ratio of the listed entity or its subsidiary based on last audited financial statements					
	a. Before transaction	(0.13)	(0.68)	(1.75)	(0.16)	-

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
	b. After transaction	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt Service Coveragte Ratio cannot be computed with reference to a specific figure.	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt Service Coveragte Ratio cannot be computed with reference to a specific figure.	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt Service Coveragte Ratio cannot be computed with reference to a specific figure.	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt Service Coveragte Ratio cannot be computed with reference to a specific figure.	The proposed transaction is being undertaken under an omnibus approval. Since the final transaction amount has not yet been determined, the Debt Service Coveragte Ratio cannot be computed with reference to a specific figure.
C(5) Disclosure only in case of transactions relating to sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity or disposal of shares of subsidiary or associate						
79	Details of earlier sale, lease or disposal of assets of the same subsidiary or of the unit, division or undertaking of the listed entity or disposal of shares of the same subsidiary or associate to any related party during the preceding twelve months.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
80	Whether the transaction would result in issue of securities or consideration in kind to a related party? If yes, please share the relevant details.	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
81	Would the transaction result in eliminating a segment reporting by the listed entity or any of its subsidiary?	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

S. No	Particulars	Apollo Defence Industries Private Limited	Ananya SIP RF Technologies Private Limited	Apollo Strategic Technologies Private Limited	IDL Explosives Limited	Shauryastra Defence Systems Private Limited
82	Does it involve transfer of key intangible assets or key customers which are critical for continued business of the listed entity or any of its subsidiary?	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
83	Are there any other major nonfinancial reasons for going ahead with the proposed transaction?	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Other Relevant Information:

(a) Justification as to why the proposed transaction is in the interest of the listed entity, basis for determination of price and other material terms and conditions of RPT.

Refer to the details mentioned in the Explanatory Statement forming a part of the Notice.

(b) Disclosure of the fact that the Audit Committee has reviewed the certificates provided by the CEO/Managing Director/ Whole Time Director/ Manager and CFO of the Listed Entity as required under the RPT Industry Standards.

Refer to the details mentioned in the Explanatory Statement forming a part of the Notice.

(c) Disclosure that the material RPT or any material modification thereto, has been approved by the Audit Committee and the Board of Directors recommends the proposed transaction to the shareholders for approval.

Refer to the details mentioned in the Explanatory Statement forming a part of the Notice.

(d Provide web-link and QR Code, through which shareholders can access the valuation report or other reports of external party, if any, considered by Audit Committee while approving the RPT.

Not Applicable. There is no valuation report or other report of external party for the aforesaid transactions.

ITEM 8: CONVERSION OF LOAN INTO EQUITY:

Members may please note that the Company has borrowed an amount of Rs. 635.90 Crores as working capital facilities (both fund based and non fund based) from State Bank of India, Commercial Branch, Koti, Hyderabad ("Bank"). The Bank has requested the Company to submit a special resolution as approved by the members of the Company authorising the Board of Directors of the Company to convert the outstanding loan (in case of default) into equity shares of the Company. As per the provisions of Section 62(3) of the Companies Act, 2013, any authority given to Board of Directors for conversion of outstanding loan into equity in the event of default, requires the approval of the members of the Company by way of special resolution.

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

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. 8. of this Notice.

Directors' Report

For the Financial Year 2025-2026

(Pursuant to section 134(3) of Companies act, 2013 read with Rule 8 of Companies (Accounts)Rules, 2014)

To
The Members of
Apollo Micro Systems Limited,

The Directors are pleased to present herewith the 29th Annual Report of Apollo Micro Systems Limited ("**the Company**" or "**AMS**") along with the audited financial statements, for the financial year('FY') ended 31st March, 2026.

1. FINANCIAL RESULTS

The audited financial statements of the Company as on 31st March, 2026 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 31st March, 2026 and the corresponding figures for the Financial Year ended 31st March, 2025 are as under:

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

Particulars	Standalone		Consolidated	
	Current year (2025-26)	Previous year (2024-25)	Current year (2025-26)	Previous year (2024-25)
Revenue from Operations	76,485.32	56,206.92	90,432.38	56,206.92
Other Income	1,733.71	404.83	627.34	288.54
Total Revenue	**78,219.03**	**56,611.75**	**91,059.73**	**56,495.46**
Cost of materials Consumed	59,246.52	43,567.13	70,221.55	43,545.09
Changes in inventories of finished goods, WIP, stock- in –trade	(9,520.40)	(3,870.53)	(9,544.67)	(3,870.53)
Employee Benefit Expenses	2,688.95	2,183.45	3,718.01	2,198.58
Other Expenses	2,681.93	1,443.22	**4,221.43**	1,412.81
Financial charges	3,710.46	3,414.35	4,732.37	3,421.58
Depreciation	1,948.88	1,531.94	2,231.51	1,533.29
Profit or Loss Before exceptional and extraordinary items and tax	17,462.69	8,380.43	15,479.76	8,254.65
Exceptional Items	-	-	-	-
Profit or Loss Before tax (PBT)	17,462.69	8,380.43	15,479.76	8,254.65
Tax Expenses:				
a) Current Tax	3,709.06	1,891.01	2,908.12	1,852.37
b) Earlier Tax Adjustments	3,90.73	53.13	90.73	53.13
c) Deferred Tax	1,605.01	712.13	1,742.87	713.37
Total Tax Expense	**5,404.80**	**2656.27**	**4,741.72**	**2,618.87**
Net Profit or Loss After Tax (NP)	**12,057.89**	**5,724.16**	**10,738.04**	**5,635.78**
Earnings Per Share (Basic)	3.57	1.89	3.35	1.86
Earnings Per Share (Diluted)	3.53	1.89	3.31	1.86
EBIDTA	23,122.03	13,326.71	22,443.64	13,209.52

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

The financial statements for the year ended 31st March, 2026 and 31st March, 2025 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 2025-26, the standalone performance of your company was reported as under:

The revenue from operations is ₹76,485.32 lakhs against ₹ 56,206.92 lakhs in the previous year. The Earnings Before Interest, Tax, Depreciation & Amortization ("EBITDA") has been increased by 73.50% to ₹ 23,122.03 lakhs against ₹ 13,326.71 lakhs in the previous year. The Profit before Tax ("PBT") for the year under review is ₹ 17,462.69 lakhs as against ₹ 8,380.43 lakhs in the previous year. The Net profit after tax of the Company for the year under review has been increased by 110.65% to ₹ 12,057.88 lakhs against ₹ 5,724.16 lakhs in the previous year. The Earning per Share ("EPS") of the Company for the year under review is ₹3.57 (basic) and ₹3.53/- (diluted) per share.

The key aspect of your Company's consolidated performance during the FY 2025-26 are as follows:

The revenue from operations is ₹90,432.38 lakhs against ₹ 56,206.92 lakhs in the previous year. The Earnings Before Interest, Tax, Depreciation & Amortization ("EBITDA") has been increased by 69.91% to ₹ 22,443.64 lakhs against ₹ 13,209.52 lakhs in the previous year. The Profit before Tax ("PBT") for the year under review is ₹ 15,479.76 as against ₹ 8,254.65 lakhs in the previous year. The Net profit after tax of the Company for the year under review has been increased by 90.53% to ₹ 10,738.04 lakhs against ₹ 5,635.78 lakhs in the previous year. The Earning per Share ("EPS") of the Company for the year under review is ₹ 3.35/- (basic) and ₹3.31 /- (diluted) per share.

3. BUSINESS OUTLOOK

A. BUSINESS OUTLOOK

The Indian defence sector has decisively moved from ambition to delivery. Indigenous defence production touched an all-time high of ₹1.78 lakh crore in FY 2025-26, a 15.6% increase over the previous year and more than double the output of five years ago, while defence exports reached a record ₹38,424 crore, registering a growth of 62.66% over the previous fiscal, with the private sector contributing over Indian defence equipment now reaches more than 80 countries, and the defence budget for 2026-27 stands at ₹7.85 lakh crore an unambiguous signal of the nation's long-term commitment to military modernisation. With the Government targeting ₹3 lakh crore in annual defence production and ₹50,000 crore in exports by 2029, the runway ahead for capable Indian private sector players is substantial.

Three structural forces underpin this momentum. First, the geopolitical environment marked by prolonged conflicts, contested supply chains, and the demonstrated decisiveness of indigenous capability in recent operational engagements has converted self-reliance from a policy preference into a strategic imperative. Second, the institutional architecture of Aatmanirbhar Bharat, DAP 2020, the positive indigenisation lists, and innovation frameworks such as iDEX, TDF, and Make-I/II has matured from announcement to execution, with orders now flowing to the private sector at scale. Third, India's credibility as a neutral, technology-capable partner has opened genuine co-development and co-production opportunities with friendly foreign nations across precision munitions, guided systems, C4ISR, and unmanned platforms positioning Indian firms within global defence supply chains rather than merely alongside them.

Apollo Micro Systems Limited enters this environment with a deliberately constructed platform. Over the past two years, the Company has transitioned from a development-centric electronics house to a vertically integrated weapon systems enterprise combining four decades of design heritage, sustained R&D investment, backward integration into energetics through the Group's acquisitions, and significant new manufacturing infrastructure being brought on stream. This positions AMS to operate as a system-of-systems integrator, capable of taking end-to-end responsibility for complete weapon platforms rather than discrete subsystems.

The Company's strategic focus over the current fiscal and the years immediately ahead is the transition from qualified subsystem supplier to prime contractor in select verticals precision-

guided munitions, underwater weapon systems, embedded guidance and control, and smart energetics. The accelerating digitisation of the battlefield, and the convergence of ruggedised electronics, artificial intelligence, and edge computing in military applications, plays directly to the Company's core engineering strengths.

In summary, the environment for Indian defence manufacturing has never been more enabling, and AMS with its proven execution, deepening capabilities, and alignment with national priorities is well positioned to be among the leaders of India's next wave of defence industrial growth.

1. Research & Development Overview (FY 2025-26)

   For a technology-led defence enterprise, R&D is not a support function but the core engine of value creation. During FY 2025-26, Apollo Micro Systems Limited deepened its investments in indigenous weapon system technologies, with several programmes maturing from development into realisation validating the Company's philosophy of building complete platforms ground-up rather than assembling imported content.

Key achievements and focus areas during the year included and not limited to them are:

Mini Torpedo The Mini Torpedo is a compact, lightweight underwater weapon designed for engagement of small and mid-size sub-surface threats, including midget submarines and underwater swimmer delivery vehicles. Developed indigenously by Apollo Micro Systems Limited, the system integrates in-house acoustic homing, guidance electronics, actuation, and safety-and-arming technologies into a single platform. Its reduced form factor enables deployment from a variety of launch platforms, including surface ships, helicopters, and unmanned systems. The programme leverages AMS's proven building blocks in signal processing and underwater sensing. It represents a critical capability in littoral and shallow-water warfare, an area of growing operational priority. The Mini Torpedo underscores the Company's evolution into a complete underwater weapon systems house.

Vehicle Mounted Counter Drone System The Vehicle Mounted Counter Drone System is a mobile, integrated solution for the detection, tracking, identification, and neutralisation of hostile unmanned aerial threats. Mounted on a high-mobility vehicle platform, the system combines radar, RF detection, and electro-optical sensors with soft-kill and hard-kill countermeasures for layered protection. Its on-the-move capability makes it particularly suited for convoy protection, forward-deployed formations, and mobile air defence gaps. The system architecture is modular and scalable, allowing configuration to specific user requirements. With drone warfare now central to the modern battlefield, this system addresses one of the most urgent operational needs of the Armed Forces. It reflects AMS's strength in sensor fusion, real-time processing, and system integration.

Limpet Mines Limpet Mines are compact underwater explosive devices designed to be covertly attached to the hulls of ships and maritime assets by combat divers and special forces. AMS's indigenously developed limpet mine integrates advanced safety-and-arming mechanisms, programmable time-delay fuzing, and anti-removal features to ensure both operational effectiveness and handler safety. The design emphasises reliability under extreme underwater conditions, ease of deployment, and secure arming protocols. Backward integration within the Apollo Group provides access to qualified energetic materials, enabling end-to-end realisation of the weapon. The product addresses the specialised requirements of naval special operations and harbour denial missions. It further extends AMS's growing portfolio in underwater ordnance.

Moored Mine The Moored Mine is an indigenously developed sea mine anchored to the seabed and suspended at a pre-determined depth for area denial against surface and sub-surface targets. At its core is AMS's advanced multi-influence signal processing system, capable of detecting acoustic, magnetic, and pressure signatures and discriminating genuine targets from countermeasures. The mine incorporates programmable target logic, secure arming, and extended underwater endurance for prolonged deployment. Designed for defensive mining of harbours, chokepoints, and strategic waters, it constitutes a potent sea-denial capability. The programme demonstrates the Company's mastery of underwater sensing, target classification, and fuzing technologies.

It positions AMS as a key indigenous partner in naval mine warfare. With this solution AMS is positioned as unique player in offering all types of Under water Mines in Naval Warfare.

Anti-Submarine Warfare (ASW) Weapon Platform The ASW Weapon Platform is Apollo Micro Systems Limited's first complete weapon system designed entirely in-house a ground-up indigenous development and not a reverse-engineering effort. The programme integrates the Company's core competencies in acoustic homing, guidance and control, actuation, warhead integration, and safety-and-arming into a unified anti-submarine weapon. Intended for engagement of sub-surface threats, the platform is being developed in alignment with the operational requirements of the Indian Navy. Significant progress was achieved during the year across design, development, and subsystem realisation phases. The programme stands as a defining demonstration of AMS's transition from subsystem supplier to complete weapon platform developer. It anchors the Company's long-term ambition in the underwater warfare domain.

In parallel, the Company's R&D division continued its engagement with the Ministry of Defence's indigenisation frameworks, carrying forward technology development under the Make-II project awarded by the Indian Army and participating in further Make proposals across the Tri-Services. Recognising that future procurement programmes will demand modular, scalable technology building blocks, AMS has proactively expanded its internal technology roadmap in areas including terminal guidance, seekers, safety-and-arming mechanisms, and jam-resistant navigation.

During FY 2025-26, the Company invested ₹ 7,253.39 Lakhs in R&D activities. These investments have begun converting into orders and deliveries during the year, and are expected to contribute meaningfully to revenues from FY 2026-27 and FY 2027-28 onwards cementing AMS's position as a developer of next-generation weapon systems, subsystems, and defence electronics for the Indian and friendly foreign markets.

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 ₹ 707.50 Crores Line of Credit (short term 150.00 Crores & long term 557.50 Crores) of the Company which is as follows:

Long-Term Rating	ACUITE A- Stable (pronounced ACUITE A Minus)
Short-Term Rating	ACUITE A2+ (reaffirmed 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 31st March, 2026, the Authorised Share Capital of the Company 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).

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

  1. During the year under review, the Company allotted 2,70,42,894 equity shares of ₹ 1/- (Rupee one) each on preferential basis, each share was allotted at a premium of ₹ 113/- per share.

  2. During the year under review, the Company allotted 2,37,59,986 equity shares of ₹ 1/- (Rupee one) each at a premium of ₹ 113/- per share pursuant to the conversion of warrants into equity.

Consequently, as on 31st March 2026, the issued, subscribed, and paid-up capital of the Company stood at ₹ 35,72,92,440/- comprising 35,72,92,440 equity shares of ₹ 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 35,72,92,440 equity shares, the following equity shares of the Company are in dematerialized as on 31st March, 2026:

Sr. No	Capital Details	No. of Shares	% of Total issued Capital
1.	Held in dematerialised form in CDSL	9,34,81,213	26.16
2.	Held in dematerialised form in NSDL	26,38,11,227	73.84
	Total	**35,72,92,440**	**100.00**

(c) Preferential issue of Share Warrants:

The company had allotted 3,80,67,058 convertible warrants on a preferential basis to persons in promoter group, Directors and KMPs and non-promoters, with an option to convert the same into an equal number of equity shares at a price of ₹ 114/- per warrant, including a premium of ₹ 113/- per share on the face value of ₹ 1/- per share, within a period of 6 months from the date of allotment of warrants, i.e., 2nd day of June 2025, as per the terms and conditions approved in the Extraordinary General Meeting held on 4th February 2025. Further, the Board of Directors of the Company at its meeting held on 9th day of November 2025 has extended the time for conversion of the convertible warrants till 30th June 2026.

(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:

S. No.	Date of Allotment	No. of Warrants converted	No. of Equity Shares allotted	Paid- up Share Capital post allotment (in ₹)
1.	22.09.2025	21,07,194	21,07,194	33,56,39,648
2.	12.11.2025	35,088	35,088	33,56,74,736
3.	19.11.2025	65,69,000	69,69,000	34,22,43,736
4.	26.11.2025	1,21,47,964	1,21,47,964	35,43,91,700
5.	02.12.2025	28,89,044	28,89,044	35,72,80,744
6.	22.12.2025	11,696	11,696	35,72,92,440

As on 31st March 2026, 1,43,07,072 convertible equity warrants are pending for conversion.

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, 2026 is available on the Company's website at https://apollo-micro.com/annual-returns.html

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

During the year under review, Six (6) meetings of the Board of Directors of the Company were held on 23rd May, 2025, 28th May, 2025, 28th July, 2025, 4th November, 2025, 19th November, 2025 and on 9th February, 2026 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 26th March, 2026 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 31st March, 2026, 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 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/policies.html

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 under the section "Investors". The website link is https://apollo-micro.com/policies.html

(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.

1. Registrar of Companies, Hyderabad (ROC), issued show cause notice vide email dated 26/03/2025 for delay in filing form CRA 4 w.r.t Cost Audit Report. The Company responded to the said notice on 24/04/2025 stating the reasons for non-filing as oversight. The Company also filed compounding application before Regional Director, South East Region on 14/07/2025 and accordingly on 21/08/2025 the non-compliance was compounded by levying fee of Rs. 55,000/- and the same was paid to concerned authority

2. The Company received notice dt 27/06/2025 from National Stock Exchange of India Limited w.r.t non-submission of Audit Report along with Audited Financial Results levying penalty of Rs. 88,500/- and the same was paid to concerned authority

The Board took note of the above observations of the auditors at their meeting held on 8th September, 2026 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 2025–26, the Company has given loans to Apollo Defence Industries Private Limited, and Ananya SIP RF Technologies Private Limited, Subsidiaries of the Company. IDL Explosives Limited and Apollo Strategic Technologies Private Limited (Step down subsidiaries of the Company) subsidiaries of the Company (details provided below). 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.

During the year under review, the Company has given a loan of ₹ 374.79 lakhs to its subsidiary M/s. Ananya SIP RF Technologies Private Limited and amount outstanding as on 31st March, 2026 is ₹ 353.08 lakhs. The loan to the said subsidiary is repayable on demand with interest at 9.90% p.a.

During the year under review, the Company has given a loan of ₹ 23,002.84 lakhs to its subsidiary M/s. Apollo Defence Industries Private Limited and amount outstanding as on 31st March, 2026 is ₹ 12,432.70 lakhs. The loan to the said subsidiary is repayable on demand with interest at 9.90% p.a.

During the year under review, the Company has given a loan of ₹ 12.10 lakhs to its step-down subsidiary M/s. Apollo Strategic Technologies Private Limited and amount outstanding as on 31st March, 2026 is ₹ 12.36 lakhs. The loan to the said subsidiary is repayable on demand with interest at 9.90% p.a.

During the year under review, the Company has given a loan of ₹ 21,755.60 lakhs to its step-down subsidiary M/s. IDL Explosives Limited and amount outstanding as on 31st March, 2026 is ₹ 18,757.61 lakhs. The loan to the said subsidiary is repayable on demand with interest at 9.90% p.a.

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

"Your Company has two Subsidiary Companies i.e., M/s. Apollo Defence Industries Private Limited (CIN: U26109TS2023PTC177370) and M/s. Ananya SIP RF Technologies Private Limited (CIN: U74990TG2015PTC097610) and two step down subsidiary: M/s.Apollo Strategic Technologies Private Limited (CIN: U26109TS2024PTC191803) M/s IDL Explosives Limited (CIN: U28132TG2010PLC070529)

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."

The formalitites regarding the acquisition of IDL Explosives Limited was completed on 17th November 2025

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 read with Rule 8 of Companies (Accounts) Rules, 2014 with of the Act read with rules made thereunder, the details of developments of subsidiaries and other details are covered under AOC(1) and MDA of the Company are covered in the Management Discussion and Analysis Report which forms part of this Report.

16. 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 2025-26 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 2025-26, 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/policies.html under the Section "Investors".

17. RESERVES [SECTION 134 (3) (j)]

During the financial year 2025-26, 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.

18. 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 2025-26. The said dividend, if approved by the shareholders, would result into a cash outflow of approximately ₹ 9,28,99,878/-.

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

Unclaimed Dividend

During the year under review Company has transferred an amount of Rs.55,042 unclaimed interim divided for the financial year 2018-2019 and also transferred 18,630 shares to IEPF.

In case any shareholder wants to claim the shares or dividend they will have to apply to IEPF authority.

19. 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 31st March, 2026, 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/policies.html. The Policy is also annexed herewith as Annexure-E to the Board's Report.

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

1) Ms. Rukhya Parveen, Company Secretary and Compliance Officer of the Company has resigned with effect from 31st May 2026 and Mr. G.Seshadri Vasan, a fellow member of the Institute of Company Secretaries of India, has been appointed as the Company Secretary and Compliance Officer of the Company with effect from 1st June 2026.

2) A Share Purchase Agreement ("SPA") was executed on July 09, 2026, by and among the Company, Premier Explosives Limited ("Target Company"), Mrs. Shonika Prasad and Mrs. Kailash Gupta, in their capacity as the authorised trustees of the AKS Family Trust,(" Promoter"), pursuant to which the Company agreed to acquire 2,22,21,735 equity shares of Face Value of Rs. 2/- each of Premier Explosives Limited, held by the Promoter, representing 41.33% of the paid up equity share capital, for an aggregate cash consideration of approximately Rs1,550 Crore.

This transaction has triggered the provisions of Regulation 3(1) and 4 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, including subsequent amendments ("SEBI SAST Regulations"). Accordingly, the Company has made public announcement (PA) on July 10, 2026, a Detailed Public Statement (DPS) was issued on July 16, 2026, followed by the filing of the Draft Letter of Offer (DLOF) with SEBI on July 23, 2026, for open offer to the Public Shareholders of Target Company to acquire upto 1,39,77,911 equity shares, representing 26 % of the equity share capital of Target Company, at an offer price of Rs. 698/- per share, aggregating to a total consideration of Rs. 975,65,81,878/-, payable in cash in accordance with the applicable regulatory framework. The consummation of this transaction is subject to receipt of applicable governmental and statutory/regulatory approvals including approval from the Competition Commission of India, wherever applicable, along with the fulfilment of other conditions precedent under the SPA.

The transaction combines complementary capabilities in defence systems and energetic materials, enabling operational efficiencies, enhanced R&D, and broader participation in defence and space-related programmes. This acquisition strengthens our nation's defence manufacturing capability and deepens our sovereign expertise in energetic materials and space programmes. Together, we are better positioned to safeguard national security interests and support our armed forces with greater scale, resilience, and technological self-reliance.

21. 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, we have significantly invested in development of Homing System for Light Weight Torpedoes, Actuators for SWARM and Missiles, Seeker Signal Processing Systems, Moored Mine Signal Processing Systems and other Critical Avionic Systems.

Our Research & Design team has started focusing on several Make Proposal of Tri-Services for which technology build blocks needs augmentation. We have participated in Make-II Proposals and has been awarded a Make-II project by Indian Army. The technology development requisite for such Make Proposals was also taken up by our team.

Being a technology company and our future growth is always based on the investments done on R&D from time to time, we foresee the results to hit into business by FY 2026 and FY 2027. We have spent ₹ 7,253.39 Lakhs/- towards our R&D activities in this Financial Year.

B. Technical Absorption

The Company works on in house Technology.

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange outgo and earnings

Particulars	Year ended 31st March, 2026 (Amount in Lakhs)	Year ended 31st March, 2025 (Amount in Lakhs)
Value of imported raw-materials on CIF basis	8,956.80	3,160.69
Other Expenses: Foreign Travel Expenses	66.28	64.74
Earnings in foreign currency:		
FOB Value of Exports	Nil	Nil
For Services Rendered	Nil	Nil

22. 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 26th March, 2026 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/policies.html 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

23. 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 2025-26, 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 31st March, 2026 with regard to the Apollo Employee Stock Option Scheme 2018 (ESOS-2018) are annexed to this Report as **Annexure-F**.

24. 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 2025-26.

25. 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 31st March, 2026. 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 22nd, 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. 25th February, 2020 and passed the online proficiency self-assessment test on 22nd February 2022.
- Mrs. Karunasree Samudrala, Independent Director has duly registered her name in the data bank of IICA w.e.f. 25th February, 2020 and passed the online proficiency self-assessment test on 10th April, 2020.
- Mr. Chandrashekar Matham, Independent Director has duly registered his name in the data bank of IICA w.e.f. 06th 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 2025-26, no changes took place in the Directors or Key Managerial Persons (KMP's) of the Company.

Mr. Aditya Kumar Halwasiya (DIN: 08200117) retires by rotation at the ensuing 29th Annual General Meeting and being eligible, offers himself for reappointment.

Additional information on reappointment of Mr. Aditya Kumar Halwasiya (DIN:08200117) as director and as required under regulation 36(3) of the SEBI Listing Regulations is given in the Notice convening the forthcoming AGM.

26. 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.

27. 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 2025-26, the Company hasn't received any significant and material orders that impact the going concern status and company's operations in future.

28. 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.

29. 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 partof 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 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.

30. 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 30th Annual General Meeting to be held in the calendar year 2027.

Further, the remuneration to be paid to Statutory Auditors for FY 2025-26 is ₹ 13.00 Lakhs (Rupees Thirteen Lakhs Only) 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 2025-26. 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 18th May, 2026 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 2026-27 on a remuneration of ₹ 6.00 Lakhs plus applicable taxes.

(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 18th May 2026 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, 2027. 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 2026-27. 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 23rd 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, and the same has been approved by the Shareholders at the Annual General Meeting held in the year 2025. Ms. Sridevi Madati has issued Secretarial Audit Report for the FY -2025-2026.

31. 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.

32. 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.

33. 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.

34. 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/policies.html under the section "Investors".

35. 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 Company has transferred an amount of Rs.55,042 unclaimed interim divided for the financial year 2018-2019 and also transferred 18,630 shares to IEPF.

36. 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.

37. 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/policies.html 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.

38. 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.

39. 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.

40. 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 31st 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, 2026 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 2025-26.

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**.

41. 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).

42. 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.

43. 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)

44. UNCLAIMED DIVIDENDS:

Unpaid / 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) 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
2018-19	10% Interim Dividend	01.11.2018	03.12.2025	04.12.2025

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 or to the Company's Registrar and Share Transfer Agent (RTA) at e-mail bsshyd@bigshareonline.com or to their postal address 306, Right Wing, 3rd Floor, Amrutha Ville, Opp: Yashoda Hospital, Rajbhavan Road, Hyderabad – 500 082 (India), Telangana, India. During the financial year 2025–26, 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).

45. STATEMENT THAT THAT COMPANY HAS COMPLIED WITH MATERNITY BENEFIT ACT:

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

46. NUMBER OF EMPLOYEES AS ON CLOSE OF FINANCIAL YEAR

Male	-347
Female	-87
Transgender	-Nil

47. 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

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai KumarAddepalli
Whole Time Director (Operations)
DIN: 03601692

Place: Hyderabad
Date: 8th September 2026

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/policies.html

2. Composition of CSR Committee:

Sl. 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/policies.html

   CSR Policy: https://apollo-micro.com/policies.html

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	3.69	NIL

6. Average net profit of the company as per section 135(5): ₹ 5271.35 Lakhs

Financial Year	Profit before tax (in ₹ Lakhs)
2022-23	2,944.02
2023-2024	4,489.90
2024-2025	8,380.42
TOTAL	**15,814.34**
Average of the PBT	5,271.35

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 105.43Lakhs

   (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: 3.69 Lakhs

   (d) Total CSR obligation for the financial year (7a-7b-7c): ₹ 68.06 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.
₹ 74.80 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 Imple mentation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Regis tration 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 imple mentation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Contribution towards Environmental Sustainability	(iv)	Yes	Telangana	Hyderabad	20.00	No	Arunodaya Trust	CSR00012742
2.	Contribution towards educating drop out students from underprivileged backgrounds	(ii)	Yes	Telangana	Hyderabad	20.00 lakhs	No	Sarada Educational Society	CSR00034657
3.	Promoting Education	(ii)	Yes	Andhra Pradesh	Krishna	20.00 Lakhs	No	Jagruti Foundation	CSR00022341
	Promoting Healthcare	(i)	Yes	New Delhi	Lajpat Nagar	1.00 Lakh	No	Care Guru Foundation	CSR00086062
	Promoting Education	(ii)	Yes	Odisha	Rourkela	3.80 Lakhs	Yes		-
	Contribution 63rd National Roller Skating Championshi p -2025	(vii)	Yes	Andhra Pradesh	Visakhap atnam	10.00 Lakhs	No	Andhra Pradesh Roller Skating Association	CSR00072890
	Total					74.80 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 2025-26 (8b+8c+8d+8e): ₹ 74.80 Lakhs

(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)	₹ 105.43 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 74.80 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 6.74 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)]	₹ 6.74 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 FinancialYear. (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

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai KumarAddepalli
Whole Time Director (Operations)
DIN: 03601692

Place: Hyderabad
Date: 8th September, 2026

Annexure-B

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

[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 2026**, 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 2026** 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. Registrar of Companies, Hyderabad (ROC), issued show cause notice vide email dated 26/03/2025 for delay in filing form CRA 4 w.r.t Cost Audit Report. The Company responded to the said notice on 24/04/2025 stating the reasons for non-filing as oversight. The Company also filed compounding application before Regional Director, South East Region on 14/07/2025 and accordingly on 21/08/2025 the non-compliance was compounded by levying fee of Rs. 55,000/- and the same was paid to concerned authority

2. The Company received notice dt 27/06/2025 from National Stock Exchange of India Limited w.r.t non-submission of Audit Report alongwith Audited Financial Results levying penalty of Rs. 88,500/- and the same was paid to concerned authority

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.

We further report that M/s Apollo Defence Industries Private Limited, a 76% subsidiary of the Company acquired 100% of the equity share capital of IDL Explosives Limited (CIN U28132TG2010PLC070529) with effect from 17/11/2025, consequent to which it became a step-down subsidiary of the Company.

For **MNM & Associates**
Company Secretaries
Firm Registration No. P2017TL059600

Sridevi Madati
Partner
M.No.F6476
COP 11694
UDIN: F006476H001388351

Date: 08 September 2026
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: F006476H001388351

Date: 8 September 2026
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

S. No	Particulars	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	1st April, 2025	1st April, 2025
4.	End date of accounting period of subsidiary	31st March, 2026	31st March, 2026
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	₹ (96.81)Lakhs	(1558.34) Lakhs
9.	Total Assets	1083.65 lakhs	₹ 11011.26 Lakhs
10.	Total Liabilities	₹ 1139.10 Lakhs	₹ 12,568.50 Lakhs
11.	Investments	Nil	10703.24 Lakhs
12.	Turnover	Nil	182.68 Lakhs
13.	Profit before/(loss) Tax	(₹236.03) Lakhs	₹ (1547.72)Lakhs
14.	Provision for Tax	3.65 Lakhs	Nil
15.	Profit after/(loss) Tax	(₹250.46) Lakhs	₹ (1547.70) Lakhs
16.	Proposed Dividend	Nil	Nil
17.	% of Shareholding	51%	76%
18.	Country	India	India
19.	Contribution to overall performance of the Company	51%	76%

Note:

1. Names of subsidiaries which are yet to commence operations- Nil
2. 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
(Holding Company Apollo Defence Industries Private Limited)

S. 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	1st Aril, 2025
4.	End date of accounting period of step-down subsidiary	31st March, 2026
5.	Reporting Currency	INR
6.	Exchange Rate	N.A.
7.	Share Capital	₹ 1.00 Lakhs
8.	Reserve and Surplus	₹ (2.83) Lakhs
9.	Total Assets	₹ 13.16 Lakhs
10.	Total Liabilities	14.99 Lakhs
11.	Investments	Nil
12.	Turnover	Nil
13.	Profit before/(loss) Tax	₹ (1.90) Lakhs
14.	Provision for Tax	Nil
15.	Profit after/(loss) Tax	(1.90) lakhs
16.	Proposed Dividend	Nil
17.	% of Shareholding	51%
18.	Country	India
19.	Contribution to overall performance of the Company	51%

S. No	Particulars	Details
1.	Name of the subsidiary Company	IDL Explosives Limited (CIN: U28132TG2010PLC070529
2.	Date of becoming step-down subsidiary	17th November 2025
3.	Start date of accounting period of step-down subsidiary	17th November 2025
4.	End date of accounting period of step-down subsidiary	31st March 2026
5.	Reporting Currency	INR
6.	Exchange Rate	N.A.
7.	Share Capital	786.50
8.	Reserve and Surplus	(4,745.21)
9.	Total Assets	23,845.91
10.	Total Liabilities	27,804.62
11.	Investments	0.00
12.	Turnover	37,979.77
13.	Profit before/(loss) Tax	(2,249.55)
14.	Provision for Tax	814.60
15.	Profit after/(loss) Tax	(3,064.15)
16.	Proposed Dividend	0.00

S. No	Particulars	Details
17.	% of Shareholding	100% held by Apollo Defence Industries Private Limited
18.	Country	India
19.	Contribution to overall performance of the Company	76%

Note:

1. 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

2. 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

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai KumarAddepalli
Whole Time Director (Operations)
DIN: 03601692

Place: Hyderabad
Date: 8th September, 2026

ANNEXURE-D

FORM NO. 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 31st March, 2026, 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 31st March, 2026 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	Long term	The loan to subsidiary is repayable on demand with interest at 9.90% p.a. The amount of Loan outstanding as on balance sheet date is ₹ 353.08 Lakhs	Share Holders approval on 16th August 2024 and Board's approval on 23rd 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 ₹ 24.00 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	-
Ms. Rukhya Parveen – Company Secretary (Key Managerial Personnel)	Remuneration	Continuous transaction	Remuneration paid ₹ 11.55 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 9.90% p.a. The amount of Loan outstanding as on balance sheet date is ₹ 12,432.70 Lakhs	Share Holders approval on 16th August 2024 and Board's approval on 23rd July, 2025	-

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
Apollo Strategic Technologies Private Limited Step-down Subsidiary Company	Loans & Advances	Continuous transaction	The loan to subsidiary is repayable on demand with interest at 9.90% p.a. The amount of Loan outstanding as on balance sheet date is ₹ 12.36 Lakhs		
IDL Explossives Limited Step-down Subsidiary Company	Loans & Advances	Continuous transaction	The loan to subsidiary is repayable on demand with interest at 9.90% p.a. The amount of Loan outstanding as on balance sheet date is ₹ 18,757.61 Lakhs		
Apollo Defence Industries Private Limited Subsidiary Company	Rent Received	Continuous transaction	Rent Received ₹ 0.60 Lakhs	Board Approval on 23rd July, 2025	-
Apollo Strategic Technologies Private Limited Step Down Subsidiary Company	Rent Received	Continuous transaction	Rent Received ₹ 0.60 Lakhs	Board Approval on 23rd July, 2025	-
Apollo Food & Beverages Private Limited	Advance received for Supply of Goods	12 Months	Rs. 450 Lakhs repaid advance for supply of Goods	Board's approval on 25th October, 2025	-
Ananya Sip RF Technologies Private Limited Subsidiary Company	Rent received	12 Months	Rent received Rs. 2.40 Lakhs	Board Approval on 23rd July, 2025	-
IDL Explossives Limited Step-down Subsidiary Company	Rent received	4.5 Months	Rent received Rs. 1.35 Lakhs	Board Approval on 4th November, 2025	-
Ananya Sip RF Technologies Private Limited Subsidiary Company	Transfer of land	1 time	Rs. 1,604.76 Lakhs	One time	-

For and on behalf of the Board
APOLLO MICRO SYSTEMS LIMITED

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai KumarAddepalli
Whole Time Director (Operations)
DIN: 03601692

Place: Hyderabad
Date: 8th September, 2026

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 24th 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 https://apollo-micro.com/disclosures-under-regulation-46-and-62-of-sebi-lord-regulations-2015.html

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, 2026

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	26th 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 31st March, 2026	
		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

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai KumarAddepalli
Whole Time Director (Operations)
DIN: 03601692

Place: Hyderabad
Date: 8th September, 2026

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 2025-26 are as under:

Sl. No	Name	Designation	Increase/ (Decrease) %	Ratio of remuneration of each Director to MRE
1.	Karunakar Reddy Baddam	Managing Director	Nil	63.68
2.	Venkata Siva Prasad Chandrapati	Whole Time Director (Technical)	Nil	8.49
3.	Krishna Sai Kumar Addepalli	Whole Time Director (Operations)	Nil	8.49
4.	Raghupathy Goud Theegala	Independent Director	Nil	NA
5.	Karunasree Samudrala	Independent Director	Nil	NA
6.	Chandrashekar 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		8.49
10.	Rukhya Parveen	Company Secretary& Compliance Officer	Nil	4.09

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the period under review in 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.
2. The Median Remuneration of Employees was 2.83 Lakhs per annum for the FY 2025-26. As compared to the financial year 2024-25, MRE has been increased by 40.10%
3. The Number of Permanent employees on the Rolls of the company as on 31st March, 2026 were 434.
4. 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: 30.26%

   Average increase in remuneration of KMPs: Nil%

   KMP salary increases are decided based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.
5. 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

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai KumarAddepalli
Whole Time Director (Operations)
DIN: 03601692

Place: Hyderabad
Date: 8th September, 2026

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. 1/3rd) 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)
	Karunakar Reddy Baddam (DIN: 00790139)	Managing Director	01-04-2022	-	1 (Director- IDL Explosives Limited)	`-
	Venkata Siva Prasad Chandrapati (DIN: 03601703)	Whole-Time Director	22-08-2022	-	-	-
	Krishna Sai Kumar Addepalli (DIN: 03601692)	Whole-Time Director	22-08-2022	-	1 Director- (IDL Explosives Limited)	1 Director- (IDL Explosives Limited)
	Raghupathy Goud Theegala (DIN: 07785738)	Non-Executive - Independent Director CUM Chairman	22-08-2022	-	1 (Independent Director- IDL Explosives Limited)	1 (IDL Explosives Limited)
	Karunasree Samudrala (DIN: 06960974)	Non-Executive - Independent Director	29-05-2023	-	3 Independent Director- Roopa Industries Limited, IDL Explosives Limited & Eldorado Agritech Limited	3 Roopa Industries Limited, IDL Explosives Limited & Eldorado Agritech Limited
	Mrs. Kavya Gorla (DIN 06407238)	Non-Executive - Non-Independent Director	13-10-2022	-	-	-
	Dr. Chandrashekar Matham (DIN: 09844975)	Non-Executive - Independent Director	21-01-2023	-	1 IDL Explosives Limited	-
	Mr. Aditya Kumar Halwasiya (DIN: 08200117)	Non-Executive - Non Independent Director	21-01-2023	-	3 (Universal Petro-Chemicals Ltd, Tourism Finance Corporation of India Limited & Cupid Limited)	3 (Universal Petro-Chemicals Ltd, Tourism Finance Corporation of India Limited & 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)

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.

During the financial year 2025-26, Mr. Aditya Kumar Halwasiya (DIN:08200117) Non-Executive Non-Independent Director of the Company retires by rotation and being eligible, the Board of Directors had recommended her re-appointment in its meeting and further it was approved by the shareholders at the Annual General Meeting.

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 Six (6) 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 28th (Twenty Eighth) Annual General Meeting (AGM) of the Company was held on Tuesday the 16th September, 2025.

Sl. No	Name of the Director and DIN	Designation	Attendance at the Meeting held on						
			23rd May, 2025	28th May, 2025	28th July, 2025	04th November, 2025	19th November, 2025	09th February, 2026	28th 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	✓	✓	✓	✓	✓	✓	✓

Sl. No	Name of the Director and DIN	Designation	Attendance at the Meeting held on						
			23rd May, 2025	28th May, 2025	28th July, 2025	04th November, 2025	19th November, 2025	09th February, 2026	28th AGM
6.	Mrs. Kavya Gorla (DIN 06407238)	Non-Executive - Non Independent Director	✓	✓	✓	✓	✓	✓	✓
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 26th March, 2026 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:

a) Review of performance of the Board and Committees as a whole;

b) 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)

c) 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;

There is no relationship between the Directors of the Company with each other.

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/

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/disclosures-under-regulation-46-and-62-of-sebi-lord-regulations-2015.html

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 5 (Five) times on 23rd May, 2025, 28th July, 2025, 04th November, 2025, 12th November, 2025, and 09th February, 2026. The details of member's attendance at the Audit Committee Meetings during the financial year 2025-26 are as under:

Name& Designation	No of Meetings attended
Karunasree Samudrala, Chairman	05
Raghupathy Goud Theegala, Member	05
Addepalli Krishna Sai Kumar, Member	05

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, inter alia, 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 28th July, 2025

The details of member's attendance at the Nomination & Remuneration Committee Meetings during the financial year 2025-26 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 2 (Two) times on 28th July, 2025 & 09th February, 2026.

The details of member's attendance at the Stakeholders Relationship Committee Meetings during the financial year 2025-26 are as follows:

Name& Designation	No of Meetings attended
Raghupathy Goud Theegala, Chairman	02
Karunakar Reddy Baddam, Member	02
Venkata Siva Prasad Chandrapati, Member	02

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 31st March, 2026 are given in the table below:

Complaints outstanding as on April 1, 2025	Nil
Complaints received during the year ended March 31, 2026	01
Complaints resolved during the year ended March 31, 2026	01
Complaints pending as on March 31, 2026	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:

Sr. No.	Name & Designation	Category

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 23rd May, 2025 & 23rd March, 2026

The details of member's attendance at the Corporate Social Responsibility Committee Meetings during the financial year 2025-26 are as follows:

Name & Designation	No of Meetings attended
Karunakar Reddy Baddam, Chairman	02
Raghupathy Goud Theegala, Member	02
Kavya Gorla, Member	02

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:

Sr. No.	Name & Designation	Category
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 23rd May, 2025 & 04th November, 2025

The details of member's attendance at the Risk Management Committee Meetings during the financial year 2025-26 are as follows:

Name & Designation	No of Meetings attended
Venkata Siva Prasad Chandrapati, Chairman	02
Karunakar Reddy Baddam, Member	02
Karunasree Samudrala, Member	02

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 14th 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 4 (Four) times on 28th June,

2025, 16th October, 2025, 21st November, 2025 & 02nd February, 2026

Sr. No.	Name & Designation	No of Meeting attended
1.	Karunakar Reddy Baddam, Chairman	04
2.	Venkata Siva Prasad Chandrapati, Member	04
3.	Krishna Sai Kumar Addepalli, Member	04
4.	Sudarshan Chiluveru, Member	04

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 13th 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 6 (Six) times on 02nd June, 2025, 22nd September, 2025, 12th November, 2025, 26th November, 2025, 2nd December, 2025 & 22nd December, 2025

The details of member's attendance at the Securities Allotment Committee Meetings during the financial year 2023-24 are as follows:

Name & Designation	No of Meeting attended
Raghupathy Goud Theegala– Chairman	06
Karunasree Samudrala, Member	06
Karunakar Reddy Baddam, Member	06
Addepalli Krishna Sai Kumar, Member	06

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 form the leadership team of 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 2025-26.

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 31st March, 2026 are as follows-

(Amount in ₹ Lakhs)

		Name of MD/WTD/Manager								
Sl. No.	**Particulars of Remuneration**	**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)**	**TOTAL**
1.	Gross salary (IT Act) (a) Salary (b) Value of perquisites (c) Profits in lieu of salary	₹ 180.00	₹ 24.00	₹ 24.00	0	0	0	0	0	₹ 228
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 - as % of profit- others, specify...	0	0	0	0	0	0	0	0	0
5.	Others, please specify- Provident Fund Contribution	0	0	0	0	0	0	0	0	0

(Amount in ₹ Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager: 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)	TOTAL
6	Sitting Fee for attending board / committee meetings	0	0	0	₹ 2.20	₹ 2.20	₹ 1.20	0	0	₹ 5.60
	Total	**₹ 180.00**	**₹ 24.00**	**₹ 24.00**	**₹ 2.20**	**₹ 2.20**	**₹ 1.20**	**0**	**0**	**₹ 233.6**

The Company has not 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/disclosures-under-regulation-46-and-62-of-sebi-lord-regulations-2015.html 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 31st March, 2026, 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 31st March, 2026.

Sd/-
Karunakar Reddy Baddam
Managing Director

Date: 8th September, 2026
Place: Hyderabad

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
16th August, 2024	Members	EGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	11:30 A.M. (IST)	5
04th February, 2025	Members	EGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	11:30 A.M. (IST)	2
29th September, 2023	Members	AGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	03:00 P.M. (IST)	0

27th September, 2024	Members	AGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	10:00 A.M.	0
16th September, 2025	Members	AGM	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	11:30 A.M. (IST)	4

b) Whether any special resolutions passed in the previous three annual general meetings

2023-24	Nil
2024-25	Nil
2025-26	a) 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
	b) 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
	c) 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
	d) 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

c) Resolutions passed last year in Extraordinary General Meeting

During the year under review, no Extraordinary General Meeting have been conducted. Therefore, no resolutions has been passed.

d) Whether any special resolutions passed last year through postal ballot – details of voting pattern

Company has passed one Resolution under the provisions of Section 185 of the Companies Act, 2013, through postal ballot which concluded in the month of December 2025.

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/ 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	30th September, 2026 Time: 02.00 P.M. Venue: ThroughVideo Conferencing ("VC") / Other Audio Visual Means ("OAVM")
b) Financial Year	1st April, 2026 to 31st March, 2026
c) Record Date	23rd September, 2026
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 29th October 2026

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
g) Corporate Identification Number	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 The Corporate Identity Number allotted by the Ministry of Corporate Affairs (MCA) is L72200TG1997PLC026556
h) Listing Fees	The Listing fee for the year 2026-27 has been paid to the above stock exchanges.
i) Registrar & Share Transfer Agents of the Company forboth physical and electronic mode of share transfers.	Bigshare Services Private Limited (Unit: Apollo Micro Systems Limited) 306, Right Wing, 3rd 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, 2026. During the year under review, the company had issued 2,70,42,894 Equity Shares on preferential basis to identified non-promoters, as approved by the members at the Extra – Ordinary General Meeting held on 4th February 2025. 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 04th February, 2025. As on 31st March 2026, 2,37,59,986 warrants have been converted.
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 31st 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 4th 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 31st 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 31st March, 2026, 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 2025-26 is as follows:

Months	BSE (in Rs.)		NSE (in Rs.)	
	High	Low	High	Low
Apr-25	125.40	101.05	125.48	105.30
May-25	194.00	113.05	194.00	112.60
Jun-25	221.40	179.25	221.38	179.10
Jul-25	196.00	162.25	176.00	162.34
Aug-25	271.60	168.30	271.40	168.65
Sep-25	354.65	261.75	354.70	261.30
Oct-25	346.35	275.00	345.80	274.80
Nov-25	291.75	256.65	291.75	256.55
Dec-25	281.00	219.65	281.50	219.65
Jan-26	280.00	218.30	280.00	218.00
Feb-26	272.05	227.50	272.05	227.05
Mar-26	241.00	180.08	241.00	179.50

[Source: This information is compiled from the historical data available on the websites of BSE and NSE]

o) Shareholding as on 31st March, 2026

a) Distribution of shareholding as on 31st March, 2026

No of shares		No of shareholders	% of total	Share amount (in "Rs")	% of total
1	5000	3,79,372	99.1636	8,46,05,937	23.6797
5001	10000	1,875	0.4901	1,35,76,502	3.7998
10001	20000	756	0.1976	1,06,58,069	2.9830
20001	30000	208	0.0544	51,78,024	1.4492
30001	40000	88	0.0230	31,24,946	0.8746
40001	50000	62	0.0162	28,90,091	0.8089
50001	100000	101	0.0264	74,11,216	2.0743
100001	9999999999	110	0.0288	22,98,47,655	64.3304
Total		**3,82,572**	**100.00**	**35,72,92,440**	**100.00**

b) Category wise shareholding pattern as on 31st March, 2026

Category	Total No. of Shares	% of holding
Promoter & Promoter Group	18,57,24,000	51.98
Foreign Portfolio Investors	1,29,61,185	3.63
Alternate Investment Fund	10,20,806	0.29
Clearing Member	8,79,436	0.25
Directors and their relatives	54,60,748	1.53
Key Managerial Personnel	4,00,500	0.11
Corporate Bodies	93,85,112	2.63
Mutual Fund	54,52,445	1.53
Non Resident Indian (NRI)	80,48,271	2.25
Employees	30,125	0.01
Trusts	10,125	0.01
Public	12,79,19,687	35.80
Total	**35,72,92,440**	**100.00**

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 ₹ 707.50 Crores Line of Credit (short term 150.00 Crores & long term 557.50 Crores) of the Company which is as follows:

Long-Term Rating	ACUITE A- (pronounced ACUITE A-))
Short-Term Rating	ACUITE A2+ (reaffirmed ACUITE A Two 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
Website: https://apollo-micro.com/investors/

Registrar and Transfer Agents:

Bigshare Services Private Limited
(Unit: Apollo Micro Systems Limited)
306, Right Wing, 3rd 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

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. 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 https://apollo-micro.com/disclosures-under-regulation-46-and-62-of-sebi-lord-regulations-2015.html

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) Details of Non-compliance

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

Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Penalty Imposed
1.	Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company had by oversight submitted the Limited Review Reports instead of Statutory Auditor's Reports for both Standalone and Consolidated Financial Results for the year ended March 31, 2025, along with the financial results on 23rd May, 2025.	Rs. 88,500/- by NSE
2.	Section 148(6) of the Companies Act, 2013	Compounding Fee imposed for delay in submission of Cost Audit Report in Form CRA-4 for the financial year 2022-23	Rs. 25,000 on Company and Rs.10,000 each on Managing Director, Whole-Time Director (Technical) and Whole-Time Director (Operations) by Regional Director, South East Region, Ministry of Corporate Affairs.

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, victimization 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/disclosures-under-regulation-46-and-62-of-sebi-lord-regulations-2015.html

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 voluntary 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".

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/policies.html

h) Details of the familiarisation programmes imparted to the Independent Directors are available on the website of the Company https://apollo-micro.com/policies.html 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 31st March, 2026 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:

Sl 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, Practising 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. Lakhs
Statutory audit fee	10.00
Tax audit fee	3.00
Certification fee	1.95
Total	**14.95**

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 under the Section "Investors" and the web link is https://apollo-micro.com/policies.html

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	Number of Shareholders	Number of equity 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 31st March, 2026	1	50

The voting rights on the shares outstanding in the suspense account as on 31st 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 ₹308,28,89,916 (Rupees Three Hundred and Eight Crores Twenty Eight Lakhs Eight Nine Thousand Nine Hundred and Sixteen only) towards issue of 2,70,42,894, equity shares of Rs.1/- each issued at a premium of Rs.113/- per share.

Further, the Company has also issued 3,80,67,058 convertible equity warrants of Rs.114/- each convertible into equal number of equity shares of the Company and had received an amount of Rs.108,49,11,153/- being the 25% (Rs.114 * 25% = Rs.28.50 per warrant) on warrants so allotted. As on 31st March 2026 2,37,59,986 warrants have been converted and the Company has received an amount of Rs. 203,14,78,803/- being the 75% (Rs.114 * 75% = Rs.85.50 per warrant).

The proceeds of the preferential issue have been utilized towards working capital requirements, R& D 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
0	0	0

The Workplace Sexual Harassment Policy of the Company is uploaded on the Company website at https://apollo-micro.com/policies.html

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 2026 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: F006476H001388351

Date: 8th September, 2026
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 31st March, 2026 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 violate 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: 8th September, 2026
Place: Hyderabad

ANNEXURE- K

Business Responsibility & Sustainability Reporting

Business Responsibility & Sustainability Reporting for the Financial year ended March 31, 2026

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 :	cs@apollo-micro.com
7. Telephone :	040-27167000
8. Website :	www.apollo-micro.com
9. Financial Year (FY) for which reporting is being done :	2025-26
10. Name of the Stock Exchange(s) where shares are listed:	BSE Limited National Stock Exchange of India Limited
11. Paid-up Capital :	Rs.35,72,92,440
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report :	G Seshadri Vasan Company Secretary & Compliance Officer Phone: 040 – 27167000 Email: cs@apollo-micro.com
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	3	2*	4
International	-	-	-

*Mallapur Office located at Plot No 128/A, Sy No 125/Part, Road No 12, IDA Mallapur, Hyderabad -500076, operates as plant as well as Administrative office

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	12
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 Tata, L&T, Bharat Forge, Solar Industries, as well as numerous other private companies.

IV. Employees

20. Details as at the end of Financial Year: 2025-26

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Employees			
1.	Permanent (D)	434	347	79.95 %	87	20.05%
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total employees (D + E)**	**434**	**347**	**79.95%**	**87**	**20.05%**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Workers			
4.	Permanent (F)					
5.	Other than Permanent (G)	-	-	-	-	-
6.	**Total workers (F + G)**	**-**	**-**	**-**	**-**	**-**

b. Differently abled Employees and worker:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Differently Abled Employees			
1.	Permanent (D)	2	2	100%	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	**Total differently abled employees (D + E)**	**2**	**2**	**100%**	**-**	**-**
			Workers			
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	**Total differently abled workers (F + G)**	**-**	**-**	**-**	**-**	**-**

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 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	1.67	-	1.67	9.17	1.83	11.00	4.65	3.25	7.90
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

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)
3.	Apollo Strategic Technologies Private Limited	Step down Subsidiary	51.00%	No
4.	IDL Explosives Limited	Step down Subsidiary	100.00%*	No

*100% subsidiary Apollo Defence Industries Private Limited

VI. CSR Details

24. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(i) Turnover (in Rs.): 76,485.31Lakhs

(ii) Net worth (in Rs.): 1,32,233.34 Lakhs

VII. 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 2025-26 Current Financial Year			FY 2024-25 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 https://apollo-micro.com/	Nil	Nil	NA	Nil	Nil	NA
Investors (other than shareholders)	Yes https://scores.sebi.gov.in/scores-home	Nil	Nil	The Complaint received from the investor has been resolved within the time	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 2025-26 Current Financial Year			FY 2024-25 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 https://scores.sebi.gov.in/scores-home	01	Nil	NA	01	Nil	NA
Employees and workers	Yes https://apollo-micro.com/policies.html	Nil	Nil	NA	Nil	Nil	NA
Customers	Yes https://apollo-micro.com/feedback-form/	Nil	Nil	NA	Nil	Nil	NA
Value Chain Partners	Yes https://apollo-micro.com/feedback-form/	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

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)
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
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	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
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 https://apollo-micro.com/								
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. 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.

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

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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: Mr. Karunakar Reddy Baddam, 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)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	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	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)	The Company ensures that its policies are in line with the principles prescribed by the NGRBC, MCA. Hence, this point is Not Applicable.								
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)									

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
Fine	NA	National Stock Exchange(NSE)	88,500	The Company had by oversight submitted the Limited Review Reports instead of Statutory Auditor's Reports for both Standalone and Consolidated Financial Results for the year ended March 31, 2025, along with the financial results on 23rd May, 2025.	No
Compounding Fees	NA	Regional Director, South East Region, Ministry of Corporate Affairs(MCA)	25,000(on Company) & 30,000 (Rs.10,000 each on Managing Director, Whole-Time Director (Technical) and Whole-Time Director (Operations)	Penalty imposed for delay in submission of Cost Audit Report in Form CRA-4 for the financial year 2022-23	

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**
	NA

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/policies.html

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	-	-

6. **Details of complaints with regard to conflict of interest:**

	FY 2025-26 (Current Financial Year)		FY 2024-25 (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 on cases of corruption and conflicts of interest during the financial year.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:**

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	198 days	181 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)	Nil	0.04%
	b. Sales (Sales to related parties / Total Sales)	Nil	Nil
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	97.83%	67.82%
	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:**

	FY 2025-26 (Current Financial Year)	FY2024-25 (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?

   Not Applicable

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.

PRINCIPLE 3

Businesses 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	Total (A)	% of employees covered by: 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)
Permanent employees											
Male	347	347	100%	347	100%	-	-	-	-	-	-
Female	87	87	100%	87	100%	87	100%	-	-	-	-
Total	**434**	**434**	**100%**	**434**	**100%**	**87**	**100%**	**-**	**-**	**-**	**-**
Other than Permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

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	Total (A)	% of workers covered by: 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)
Permanent workers											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other than Permanent workers*											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	0.17%	0.31%

2. Details of retirement benefits, for Current FY and Previous Financial Year* (*only India)

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	95.62%	-	Yes	90.12%	-	Yes
Gratuity	94.23%	-	Yes	59.25%	-	Yes
ESI	27.88%	-	Yes	40.74%	-	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/policies.html

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	Same as above

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	434	-	-	405	-	-
- Male	347	-	-	332	-	-
- Female	87	-	-	73	-	-
Total Permanent Workers	-	-	-	-	-	-
- Male	-	-	-	-	-	-
- Female	-	-	-	-	-	-

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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)
Employees										
Male	347	283	81.50%	290	83.50%	332	332	100%	332	100%
Female	87	75	86.20%	73	83.90%	73	73	100%	73	100%
Total	**434**	**358**	**82.24%**	**363**	**83.64%**	**405**	**405**	**100%**	**405**	**100%**
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	347	347	100%	332	332	100%
Female	87	87	100%	73	73	100%
Total	**434**	**434**	**100%**	**405**	**405**	**100%**
Workers						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**

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 2025-26 (Current Financial Year)	FY2024-25 (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 2025-26 (Current Financial Year)			FY 2024-25 (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

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
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 2025-26 (Current Financial Year)			FY2024-25 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	434	434	100%	405	405	100%
Other than Permanent*	-	-	-	-	-	
Total Employees	**434**	**434**	**100%**	**405**	**405**	**100%**
Workers						
Permanent	-	-	-	-	-	-
Other than Permanent*	-	-	-	-	-	-
Total Workers	**-**	**-**	**-**	**-**	**-**	**-**

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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)
Employees										
Permanent										
Male	347	-	-	347	100%	332	-	-	332	100%
Female	87	-	-	87	100%	73	-	-	73	100%
Other than Permanent*										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
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)	03	19,00,000	0	0
Key Managerial Personnel	01	2,00,000	01	1,22,316
Employees other than Board of Directors and KMP	355	1,69,59,755	88	46,05,309
Workers	-	-	-	-

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	NA	NA

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. 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 2025-26 (Current Financial Year)			FY 2024-25 (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 2025-26 (Current Financial Year)	FY 2024-25 (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	-
Others – please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 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:**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**-**	**-**
From non-renewable sources		
Total electricity consumption (D)	7,97,528.15	7,87,512.89
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non- renewable sources (D+E+F)	**7,97,528.15**	**7,87,512.89**
Total energy consumed (A+B+C+D+E+F)	**7,97,528.15**	**7,87,512.89**
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0001042720354	0.00014011189
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.0001042720354	0.00014011189
Energy intensity in terms of physical output	-	-
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:**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water		0.00
(ii) Groundwater		0.00
(iii) Third party water	3589.01	2686.73

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	**3589.01**	**2686.73**
Total volume of water consumption (in kilolitres)	**3589.01**	**2686.73**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000000469241	0.00000047801
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.000000469241	0.00000047801
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

4. **Provide the following details related to water discharged:**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(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
Total water discharged (in kilolitres)	**Nil**	**Nil**

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	Nil	Nil	Nil
SOx	Nil	Nil	Nil
Particulate matter (PM)	Nil	Nil	Nil
Persistent organic pollutants (POP)	Nil	Nil	Nil
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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Scope 1 emissions* (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Nil	Nil
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Nil	Nil
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Nil	Nil	Nil
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Nil	Nil	Nil
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Nil	Nil	Nil
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
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)	-	-
Total (A+B + C + D + E + F + G + H)	**-**	**-**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	-	-
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	-	-
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**-**	**-**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

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 2025-26.					

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
3	ICC (Institute of chamber of commerce	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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Directly sourced from MSMEs / small producers	1.44%	-
Directly from within India	86.36%	-

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 2025-26 (Current Financial Year)	FY 2024-25 (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:**

	As a percentage to total turnover
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:**

	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
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:**

	Number	Reasons for recall
Voluntary recalls	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 2025-26

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**

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 2026, 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 2026 and total 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. For each matter below, our description of how our audit addressed the matter is provided in that context

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
1. Revenue Recognition: The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Revenue from sale of goods is recognized when control of the products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The application of the revenue accounting standard involves certain significant judgements and estimates made by the management including identification of distinct performance obligations, determination of transaction price of the identified performance obligations, determination of transaction price, the appropriateness of the basis used to measure revenue recognized over a period. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Refer note no. 24 & 46 of the financial statements.	**Principal Audit Procedures:** We reviewed the Company's implementation of Ind AS 115, including recognition of the effect on opening equity and changes to procedures, accounting guidelines, disclosures and systems to support correct revenue recognition. We reviewed and discussed the accounting policy including the key accounting estimates and judgements made by management. We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised. We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with Ind AS 115 and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of control. We evaluated the significant judgements and estimates made by management in applying accounting policy to sample of contracts and we obtained evidence to support them, including contractual agreements, delivery records. We also considered the historical outturns of estimates used in prior periods. We applied Audit Techniques to establish, whether any revenue has been recognized where no corresponding accounts receivable or cash has been recorded in the general ledger.
2. Capital work in progress (CWIP): Appropriateness of recording of costs as 'capital work in progress': As at 31 March 2026, the company has recorded CWIP aggregating to ₹ 17,059.72 lakhs (after additions and capitalisation) towards- (i) various testing tools and instruments and expansion of its manufacturing facilities at ₹ 2,341.49 lakhs and (ii) civil works at ₹ 14,718.23 lakhs. Management has identified certain specific costs incurred for ₹7,512.88 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. Refer the note 4(b) to the standalone financial statements.	We assessed the Company's process to verify the Capital expenditure incurred during the year. Our audit approach included testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • 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. • Review of capital expenditure, business plans, documents/information thereto and their controls effectiveness. • 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. • Tested the source documentation to determine whether the expenditure is in capital nature and has been appropriately approved and segregated into appropriate categories.

Key audit matter	Auditor's response
	• Scrutiny of relevant general ledgers to assess if the expenditure has been correctly accounted for. • Review of physical verification reports, for the verification carried out by the management for CWIP. • Our procedures as mentioned above did not identify any costs that has been inappropriately capitalised. • Ensuring adequacy of disclosures in standalone financial statements. 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.
3. Inventories: The Company carries significant inventories amounting to ₹ 76,000.75 lakhs as on 31 March 2026. Inventory constitutes 50.53% of total current assets and 33.13% of total assets With such a huge volume of inventories there is a risk of obsolescence. Since the inventories are specific for customers. 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. Refer to note-7 of the standalone financial statements	In view of significance of the matter we applied the following procedures: • 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. • 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 • Assessing the design implementation and operating effectiveness of management's key internal controls over classification, valuation and valuation models. • Reviewed the policy of management for physical verification and the documents related to management physical count procedure followed. • Sample testing of orders received , purchase and cost accumulation in the value of stock in process. • Compare the cost of inventory with estimated net realisable value by comparing actual selling price prevailing around and subsequent to the year end. • 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. • Assessed and valuated the appropriateness of disclosures made in the standalone financial statements.

Key audit matter	Auditor's response
4. Related party Transactions: The Company entered into several related-party transactions that are significant, given the volume and materiality of transactions during the financial year 2025-26 including providing unsecured loans, sale and leasing of properties and investments in share capital of the subsidiaries are flagged as Key Audit Matter for the aforesaid reasons and the need to comply with provisions of Companies Act, 2013 and SEBI LODR Regulations and the overall regulatory sensitivity around related party transactions for the Company. (Refer to note-34 of the standalone financial statements)	• We understood, evaluated the design of, and tested the operating effectiveness of controls related to capturing related-party transactions and management's process for ensuring all related-party transactions and balances are disclosed in note 34. • Understood the company's policies and procedures for evaluating arm's-length pricing and the approval process by the audit committee and board. • Agreed disclosed amounts to underlying documentation and read relevant agreements, evaluating management's arm's-length assessment on a sample basis. • Assessed management's compliance evaluation against Section 177 and Section 185,186, and 188 of the Companies Act, 2013 and relied on experts' reports for compliance under SEBI (LODR) 2015. Evaluated disclosures by reading statutory information, books, records, and other documents obtained during the audit
5. Accounting for Business Combination – Recognition of Goodwill on Provisional Basis During the year, the Group acquired 100% of the equity shareholding of [IDL Explosives Limited] ("IDL") through a share acquisition, whereby equity shares of IDL were acquired from the shareholders of the IDL for consideration in cash. Consequent to this transaction, the IDL became a wholly-owned step-down subsidiary of the Company, and the transaction has been accounted for as a business combination under Ind AS 103, Business Combinations. At the acquisition date, the IDL identifiable liabilities exceeded its identifiable assets (i.e., negative net assets), while the fair value of consideration transferred was positive. This has resulted in the recognition of goodwill amounting to ₹ 14,517.66 lakhs, being the excess of consideration transferred over the net identifiable assets (negative) acquired, in accordance with paragraph 32 of Ind AS 103. As at the balance sheet date, the Company has not carried out a fair valuation of the identifiable assets acquired and liabilities assumed of the Target. Management has proposed that the Purchase Price Allocation (PPA) exercise, including fair valuation of assets and liabilities and consequent reassessment of goodwill, will be completed within the measurement period of twelve months from the acquisition date, as	Our audit procedures in relation to this matter included, among others: • Understanding and evaluating the terms of the share agreement and the basis on which the transaction has been accounted for as a business combination under Ind AS 103. • Evaluating the identification of the acquirer under Ind AS 103, confirming that the legal acquirer (the Group Company) is also the accounting acquirer. • Accounting of provisional goodwill recognized based on the consideration transferred and the book value of net assets (negative) acquired and agreeing this to the underlying acquisition-date balance sheet of the IDL. • Testing the journal entries recorded for the acquisition, recognition of the investment/net assets of the Target, and the resultant goodwill. • Evaluating the adequacy of disclosures in the financial statements as required under Ind AS 103, specifically: • The fact that the initial accounting for the business combination is incomplete for price allocation; • The assets, liabilities and goodwill recognized on a provisional basis.

Key audit matter	Auditor's response
permitted under paragraphs 45–50 of Ind AS 103. Accordingly, the goodwill recognized as at the balance sheet date is provisional in nature and is based on the book values of assets and liabilities of the Target rather than their fair values, pending completion of the PPA. This matter has been determined to be a Key Audit Matter because: • The determination of the fair value of consideration transferred involves significant estimation and judgment. • The quantum of goodwill recognized is material to the financial statements, and any subsequent fair valuation during the measurement period could result in a significant retrospective adjustment to goodwill, with consequential impact on the opening balance sheet and comparatives. Given the materiality of the amount involved, in net negative assets the judgment inherent in valuing the consideration transferred, and the fact that the purchase price allocation remains incomplete as at the reporting date, we have identified this as a Key Audit Matter.	• Evaluating management's future profitability assumptions used to support the commercial rationale for the acquisition purchase, by: • Comparing projected cash flows/profitability as per management estimates; and • Assessing the reasonableness of key assumptions (revenue growth, margins, synergies) with reference to industry data and past forecasting accuracy. Obtained a written representation from management regarding its assessment that no impairment indicators exist for the provisional goodwill as at the reporting date.

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 and Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 read with Companies (Indian Accounting Standards) Rules, 2015 (as amended)

   e. On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 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 delays in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company.

      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 the examination which included test checks and accordance with requirements of the implementation guide on reporting on audit trial under Rule 11(g) of companies (Audit and Auditors) Rules 2014, we report that the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For **S.T.Mohite & Co**
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sd/
CA. Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 26231056YFSVJL3298

Place: Hyderabad
Date: 18 May 2026

Annexure 'A' to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Apollo Micro Systems Limited on the standalone financial statements as of and for the year ended 31 March 2026)

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 (PPE), right-of-use assets and intangible assets:

a) A) The Company has maintained basic 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, and based on our examination of records, 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 2026 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 ₹ 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 including step-down subsidiaries are as per the details given below:

Particulars	Guarantees ₹ in Lakhs	Loans ₹in Lakhs
Aggregate amount granted during the year.		
- Subsidiaries and step-down subsidiaries (net)	(5000.00)	29,769.14
- Others	-	(148.23)

Particulars	Guarantees ₹ in Lakhs	Loans ₹in Lakhs
Balance outstanding as at balance sheet date in respect of above cases:		
- Subsidiaries and step-down subsidiaries	-	31,555.75
- Others	-	699.55

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 and subsidiaries, repayment is on demand basis and payment of interest has been stipulated on annual basis and is not received in case of a Company as per stipulation (provision is partly provided for in books). In case of loan given to subsidiaries the terms for repayment of loan are 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 ₹52.41 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 ₹ 58.71 lakhs are 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	639.48	-	-
No items or repayments terms are specified	31,615.82	-	31,555.75
Total	32, 255.30	-	31,555.75
Percentage of the total loans granted	100%	-	97.83%

The above loans are disclosed in the standalone financial statements as in note 5 (ii) for Subsidiaries and note 11 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 for loans taken by others.

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, however company has filed return of deposit (DPT-3) with ROC.

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 2026 on account of disputes are given below:

Nature of Statue	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹in lakhs)
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 2017-18	800.49

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 taken funds (share capital) from members/public on account to meet the obligations of its subsidiaries.

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) During the year, 2,37,59,986 warrants were converted into an equal number of equity shares of ₹1/- at a premium of ₹113/- per share aggregating ₹ 27,086.38 lakhs, and fresh issue as preferential allotment of 2,70,42,894 equity shares of ₹1/- each at a premium of ₹ 113/- per share aggregating ₹ 30,828.90 Lakhs.

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 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 incurred CSR expenditure of ₹74.80 lakhs against the CSR obligation of ₹105.43 lakhs for the current year. The shortfall of ₹30.63 lakhs in the current year's CSR obligation has been adjusted against the excess CSR expenditure of ₹37.17 lakhs carried forward from previous years, and the balance amount of ₹6.54 lakhs shall be carried forward to the next year in accordance with the applicable provisions of Section 135 of the Companies Act, 2013 read with relevant Rules made thereto. Accordingly, there is no unspent amount which is required to be transferred to fund specified in schedule VII of the Act.

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.

For **S.T.Mohite & Co**
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sd/
CA. Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 26231056YFSVJL3298

Place: Hyderabad
Date: 18 May 2026

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 2026 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 2026, 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.

For **S.T.Mohite & Co**
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sd/
CA. Hima Bindu Sagala
Partner
Membership No.: 231056
ICAI UDIN: 26231056YFSVJL3298

Place: Hyderabad
Date: 18 May 2026

Standalone Balance Sheet

as at 31 March 2026

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

Particulars	Note No	As at 31 March 2026	As at 31 March 2025
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4 (a)	26,742.40	17,121.93
(b) Capital work-in-progress	4 (b)	17,059.72	5,873.48
(c) Right-of-use assets	4 (c)	349.12	461.72
(d) Intangible assets	4(d)	559.14	499.01
(e) Financial assets			
(i) Investments	5(i)	133.65	193.65
(ii) Loans	5(ii)	31,615.82	1,827.09
(iii) Other financial assets	5(iii)	869.24	745.25
(f) Other non-current assets	6	1,690.29	592.88
Total non-current assets		**79,019.38**	**27,315.01**
2 Current assets			
(a) Inventories	7	76,000.75	60,058.83
(b) Financial assets			
(i) Trade receivables	8	45,293.76	23,832.95
(ii) Cash and cash equivalents	9	2,024.62	21.58
(iii) Other bank balances	10	6,419.04	2,220.89
(iv) Loans	11	542.78	769.32
(c) Other current assets	12	20,123.33	12,005.18
Total current assets		**1,50,404.28**	**98,908.75**
TOTAL ASSETS		**2,29,423.66**	**1,26,223.76**
EQUITY AND LIABILITIES			
1 EQUITY			
(i) Equity share capital	13	3,572.92	3,064.90
(ii) Other equity	14	1,28,660.44	57,796.99
Total equity		**1,32,233.36**	**60,861.89**
2 LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15(a)	11,925.97	3,821.13
(ii) Lease liabilities	16(a)	192.07	269.13
(iii) Other financial liabilities	17	-	120.00
(b) Provisions	18(a)	189.66	164.44
(c) Deferred tax liabilities (net)	19	5,683.16	4,073.81
Total non-current liabilities		**17,990.86**	**8,448.51**
3 Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15(b)	36,578.53	25,248.07
(ii) Lease liabilities	16(b)	168.51	189.31
(iii) Trade payables	20		
- Dues of micro enterprises and small enterprises		83.48	42.13
- Dues of creditors other than micro enterprises and small enterprises		35,564.37	27,945.87
(iv) Other financial liabilities	21	2,108.92	541.15
(b) Provisions	18(b)	24.42	39.52
(c) Other current liabilities	22	718.61	772.75
(d) Current tax liabilities (net)	23	3,952.60	2,134.56
Total current liabilities		**79,199.44**	**56,913.36**
TOTAL EQUITY AND LIABILITIES		**2,29,423.66**	**1,26,223.76**

Corporate information & material accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements. 4 to 53

As per our report of even date attached
for S.T.Mohite & Co
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056YFSVJL3298

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Place: Hyderabad
Date: 18 May 2026

Standalone Statement of Profit and Loss

for the year ended 31 March 2026

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

	Particulars	Note No	Year ended 31 March 2026	Year ended 31 March 2025
I	Revenue from operations	24	76,485.32	56,206.92
II	Other income	25	1,733.71	404.83
III	**Total income (I+II)**		**78,219.03**	**56,611.75**
IV	**Expenses**			
	Cost of materials consumed	26	59,246.52	43,567.13
	Changes in inventories of finished goods and work-in-progress	27	(9,520.40)	(3,870.53)
	Employee benefits expenses	28	2,688.95	2,183.45
	Depreciation and amortisation expenses	29	1,948.88	1,531.94
	Finance costs	30	3,710.46	3,414.35
	Other expenses	31	2,681.93	1,404.97
	Total expenses (IV)		**60,756.34**	**48,231.32**
V	**Profit before tax (III-IV)**		**17,462.69**	**8,380.43**
	Exceptional item		-	-
	Profit before tax		**17,462.69**	**8,380.43**
VI	**Tax expense**	32		
	Current tax		3,709.06	1,891.01
	Tax adjustments for earlier years		90.73	53.13
	Deferred tax		1,605.01	712.13
	Total tax expense		5,404.80	2,656.27
VII	**Profit for the year (V-VI)**		**12,057.89**	**5,724.16**
VIII	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss:			
	Re-measurement gains/ (losses) on defined benefit obligations		14.92	(20.10)
	Income-tax thereon	32	(4.34)	5.85
	Items that will not be reclassified to profit or loss:			
	Re-measurement gains/ (losses) on defined benefit obligations		-	-
	Income-tax thereon		-	-
	Total Other Comprehensive Income, net of tax		**10.58**	**(14.25)**
IX	**Total comprehensive income for the year [VII+VIII]**		**12,068.47**	**5,709.91**
X	**Earnings per equity share ([FV ₹ 1]**	41		
	Basic (₹)		3.57	1.89
	Diluted (₹)		3.53	1.89

Corporate information & material accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements. 4 to 53

As per our report of even date attached
for S.T.Mohite & Co
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056YFSVJL3298

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Place: Hyderabad
Date: 18 May 2026

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Standalone Statement of Cash Flows

for the year ended 31 March 2026

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
I. Cash flows from operating activities		
Profit before tax	17,462.69	8,380.43
Adjustments		
Depreciation and amortisation expenses	1,948.88	1,531.94
Finance income	(323.22)	(374.41)
Finance costs	3,710.46	3,414.35
Operating profit before working capital changes	**22,798.81**	**12,952.31**
Changes in working capital:		
Changes in operating assets (increase)/decrease:		
Trade receivables	(21,460.81)	(305.78)
Inventories	(15,941.92)	(16,707.73)
Loans - current	226.54	(49.88)
Other assets - current	(8,138.15)	(4,980.08)
Changes in operating liabilities (increase)/decrease:		
Trade payables	7,659.85	11,091.49
Other financial liabilities - current	1,513.63	(171.23)
Provisions	25.03	49.61
Cash generated from operations	**(13,317.02)**	**1,878.71**
Income taxes paid (net)	(1,981.76)	(696.11)
Net cash generated from/(used in) operating activities	**(15,298.78)**	**1,182.60**
II. Cash flows from investing activities		
Purchase of PPE (including capital work in progress)	(23,756.24)	(8,690.20)
Loan to subsidiaries	(29,788.72)	(825.70)
Bank deposits (having original maturity of more than three months) - net	(4,198.15)	(166.30)
Other financial assets	(163.99)	(7.67)
Finance income	323.22	374.41
Net cash used in investing activities	**(57,583.88)**	**(9,315.45)**
III. Cash flows from financing activities		
Dividend paid	(833.84)	(153.25)
Share Capital including security premium (refer note 13(g))	28,972.93	-
Money received against share warrants (refer note 13(f))	31,163.90	3,366.23
Proceeds from borrowings	12,859.91	3,870.42
Repayment of borrowings	(4,755.06)	(993.02)
Proceeds from short-term loans and borrowings, net	11,330.45	5,553.98
Payment of principal portion of lease liabilities	(142.15)	(94.25)
Interest paid	(3,710.46)	(3,414.35)
Net cash provided by financing activities	**74,885.68**	**8,135.78**
Net increase in cash and cash equivalents (I+II+III)	**2,003.04**	**2.93**
Cash and cash equivalents at the beginning of the year	21.58	18.65
Cash and cash equivalents at the end of the year (refer note below)	**2,024.62**	**21.58**

Standalone Statement of Cash Flows

for the year ended 31 March 2026
(All amounts in ₹Lakhs, except share data and where otherwise stated)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash and cash equivalents comprise: (Refer Note 9 in Balancesheet)		
Cash on hand	4.39	15.96
Balances with banks:		
- in current accounts	2,020.23	5.62
	2,024.62	**21.58**

Particulars	As at 31 March 2026	(Repayments)/ Proceeds	As at 31 March 2025
Reconciliation of liabilities from financing activities as at 31 March 2026			
Short-term borrowings	36,578.53	11,330.45	25,248.07
Total	**25,248.07**	**11,330.45**	**25,248.07**
Reconciliation of liabilities from financing activities as at 31 March 2025			
Short-term borrowings	25,248.07	5,587.41	19,660.66
Total	**25,248.07**	**5,587.41**	**19,660.66**
Reconciliation of lease liabilities as at 31 March 2026			
Lease liabilities (including interest thereon) (refer note.40)	360.58	-97.86	458.44
Total	**360.58**	**-97.86**	**458.44**
Reconciliation of lease liabilities as at 31 March 2025			
Lease liabilities (including interest thereon) (refer note.40)	281.82	281.82	176.62
Total	**458.44**	**281.82**	**176.62**

Note:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS-7 " Statement of Cash Flows".
2. The proceeds from the issue of shares/warrants have been utilized as approved by the members

Corporate information & material accounting policies	1 to 3
The accompanying notes are an integral part of the financial statements.	4 to 53

As per our report of even date attached
for S.T.Mohite & Co
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056YFSVJL3298

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Place: Hyderabad
Date: 18 May 2026

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Standalone Statement of Changes in Equity

for the year ended 31 March 2026
(All amounts in ₹ Lakhs, except share data and where otherwise stated)

a. Equity Share Capital

	No. of shares	Amount ₹
Balance as at 1 April 2024 (₹10 each fully paid)	28,23,58,860	2,823.59
Changes in equity share capital	2,41,30,700	241.31
Balance as at 31 March 2025 at face value ₹1 each)	30,64,89,560	3,064.90
Issue of equity share capital (₹.1 each fully paid)	5,08,02,880	508.03
Balance as at 31 March 2026 (₹.1 each fully paid)	35,72,92,440	3,572.92

b. Other equity

Particulars	Reserves and surplus		Money received against share warrants (refer note no.13)	Other comprehensive income	Total
	Securities premium	Retained earnings			
At 1 April 2024	**29,688.29**	**18,250.78**	**1,122.08**	**54.25**	**49,115.40**
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)
Balance as of 31 March 2025	**33,935.29**	**23,821.69**	**-**	**40.00**	**57,796.99**
As at 1 April 2025	**33,935.29**	**23,821.69**	**-**	**40.00**	**57,796.99**
Profit for the year	-	12,057.89	-	-	12,057.89
Other comprehensive income	-	-	-	10.58	10.58
Additions during the year	57,407.25	-	31,163.90	-	88,571.15
Adjustment against share warrants		-	(27,086.38)	-	(27,086.38)
Shares issue expenses	(1,855.97)	-	-	-	(1,855.97)
Dividend paid	-	(833.84)	-	-	(833.84)
Balance as of 31 March 2026	**89,486.58**	**35,045.75**	**4,077.52**	**50.58**	**1,28,660.44**

Note: 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.

Corporate information & material accounting policies 1 to 3
The accompanying notes are an integral part of the financial statements. 4 to 53

As per our report of even date attached
for S.T.Mohite & Co
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056YFSVJL3298

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Place: Hyderabad
Date: 18 May 2026

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Notes Forming Part of the Standalone Financial Statements

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 are listed on the Bombay Stock Exchange and the National Stock Exchange. . The Registered office of the Company is situated at Plot 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 with due compliance 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 2026 were approved by the Board of Directors and authorised for issue on 18 May 2026.

2.2 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 off two decimal places to the nearest lakhs unless otherwise stated.

2.3 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.

2.4 Use of estimates and critical accounting 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 3.1 - Measurement of transaction price in a revenue transaction;
- Note 3.2 - Assessment of functional currency;
- Note 3.3 - Financial instruments;
- Note 3.6 - Useful lives of property, plant and equipment and intangible assets;
- Note 3.9 - Valuation of inventories;
- Note 3.12 - Assets and obligations relating to employee benefits;
- Note 3.13 - measurement of right-of-use assets and lease term;

Notes Forming Part of the Standalone Financial Statements

- Note 3.14 — 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 3.15 — Contingencies and Provisions and other accruals;

2.5 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

2.6 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.

Notes Forming Part of the Standalone Financial Statements

Liabilities

A liability is classified as a current when:

- it expects to settle the liability in its normal operating cycle;
- 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

2.7 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

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 contact; 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.

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

Notes Forming Part of the Standalone Financial Statements

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.

Revenue is exclusive of amounts collected on behalf of third parties

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) Government Grants:

Government grants which are revenue in nature and are towards compensation for the qualifying cost incurred by the Company, are recognized as other income without deducting from cost of asset. To compensate additional depreciation government grants is recognized in profit and loss account on a systematic basis over the expected useful life of the related asset

(iii) Dividend income:

Dividend income is accounted in the period in which the right to receive the same is established.

(iv) Export Incentives:

One of the products of the Company being exported is entitled for export incentives as per the schemes of Director General of Foreign Trade. The export incentives are accounted based on approval and reliability from Director General of Foreign Trade

(v) Rental Income:

Rental income is accounted as per rental agreements executed for relevant property

(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.

C. Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

3.2 Foreign currency transactions and translations:

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

Notes Forming Part of the Standalone Financial Statements

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.

3.3 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".

Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Debt instruments at amortised cost
- Equity instruments

Financial assets at amortised cost (Debt instruments)

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.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

Financial assets are classified at FVTOCI when they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the SPPI test is met.

Subsequent to initial recognition, these financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income (OCI). Upon derecognition, the cumulative gain or loss recognised in OCI is reclassified to profit or loss.

Notes Forming Part of the Standalone Financial Statements

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI) – Equity Instruments

For equity investments not held for trading, the Company may make an irrevocable election at initial recognition to present changes in fair value in OCI. This election is made on an instrument-by-instrument basis.

Subsequent changes in fair value are recognised in OCI. Unlike debt instruments, there is no recycling of cumulative gains or losses to profit or loss on derecognition. Dividends from such investments are recognised in profit or loss when the right to receive payment is established, provided they represent a return on investment and not a recovery of cost.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets are classified as FVTPL if they:

(a) Do not meet the criteria for amortised cost or FVTOCI; or

(b) Are designated at FVTPL at initial recognition to eliminate an accounting mismatch.

Subsequent changes in fair value are recognised in profit or loss.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except when the Company changes its business model for managing the assets. Any such reclassification is applied prospectively from the reclassification date; prior periods are not restated

SPPI Test

The SPPI test is performed at the instrument level to determine whether the contractual cash flows represent solely payments of principal and interest. For this purpose, "interest" is defined as consideration for the time value of money, credit risk, and other basic lending risks and costs, along with a profit margin.

Business Model Assessment

The Company's business model refers to how financial assets are managed to generate cash flows—whether through collecting contractual cash flows, selling financial assets, or both. This assessment is determined at a portfolio level and reflects how groups of financial assets are collectively managed to achieve a specific business objective.

Investments in subsidiaries and associates and Join Ventures:

In the standalone financial statements, investments in subsidiaries and associates are carried at cost, less any accumulated impairment losses.

These investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indications exist, the investments are tested for impairment in accordance with Ind AS 36 – Impairment of Assets. Any impairment loss is recognised in the Statement of Profit and Loss.

Upon disposal of an investment, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the Statement of Profit and Loss.

Business combination under common control:

Business combinations involving entities or businesses under common control are accounted for using the

pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

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:

Notes Forming Part of the Standalone Financial Statements

- 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.

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 over drafts.

Classification and 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.

Notes Forming Part of the Standalone Financial Statements

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 Amortised Cost

This category includes interest-bearing loans and borrowings that are subsequently measured using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss upon derecognition or through the amortisation process. Amortised cost is calculated by considering any premium or discount on acquisition and fees or costs that are an integral part of the EIR. The amortisation is recognised under 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.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.4 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.

3.5 Other bank balances:

Which also include balances and deposits with banks that are restricted for withdrawal and usage.

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 are 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

Notes Forming Part of the Standalone Financial Statements

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.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current Assets".

Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged to profit or loss as incurred. If a component accounted for separately is replaced, the carrying amount of the replaced component is derecognised.

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
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 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.

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

Notes Forming Part of the Standalone Financial Statements

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.

3.8 Capital Work in Progress (CWIP) and Capital advances:

Capital Work-in-Progress includes tangible assets that are under construction or development and are not yet ready for their intended use at the balance sheet date. These include expenditure incurred on assets that are in the course of construction, installation, testing, or commissioning. CWIP is carried at cost, which comprises:

- directly attributable acquisition and construction costs,
- borrowing costs eligible for capitalisation under Ind AS 23, and
- other expenses directly attributable to bringing the asset to its intended use.

No depreciation is charged on such assets until they are available for use. Once the asset is ready for its intended use, the accumulated cost is transferred to the appropriate category of property, plant and equipment and depreciation commences from the date the asset is available for use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets.

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.

Notes Forming Part of the Standalone Financial Statements

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 (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 Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. The recoverable amount of the CGU is higher of fair value less costs to sell and value in use.

The financial projections basis which the future cash flows are estimated consider economic uncertainties, assessment of discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

3.12 Employee benefits:

(a) 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 other comprehensive 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

Notes Forming Part of the Standalone Financial Statements

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) Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(b) Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

(c) 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 at the reporting date carried out by a qualified actuary. The resultant expenses are recognized in the standalone statement of Profit and Loss.

(d) Share-based payment

The stock options granted to employees in terms of the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The fair value of the stock options granted to employees of the Company by the Company's subsidiaries is accounted as employee compensation cost over the vesting period and where such fair value is not recovered by the subsidiaries, the same is treated as dividend declared by them. The share- based payment

Notes Forming Part of the Standalone Financial Statements

equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13 Leases:

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) The Company as lessee:

The Company accounts for each lease component within the contract separately from non-lease components and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components.

(i) Right-of-use asset (ROU)

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.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying

Notes Forming Part of the Standalone Financial Statements

amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in the statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

Payment made towards leases for which non-cancellable term is 12 months or lesser (short-term leases) and low value leases are recognised in the statement of Profit and Loss as rental expenses over the tenure of such leases.

(ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) The Company as lessor

(i) Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

(ii) Finance lease – When assets are leased out under a finance lease, the present value of minimum

lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return. Such rate is the interest rate which is implicit in the lease contract.

3.14 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 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

Notes Forming Part of the Standalone Financial Statements

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.

Minimum Alternate Tax (MAT) Credit

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the

carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

3.15 Contingent liabilities and 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.

3.16 Government grants

Recognition and measurement:

Grants and Subsidies received from the Governments are recognised only when there is reasonable assurance that:

(a) The Company will comply with the conditions attached to the grant.

(b) There is a reasonable certainty that the grant will be received

Government grants which are revenue in nature and are towards compensation for the qualifying cost incurred by the Company, are recognized as other income without deducting from cost of asset. To compensate additional depreciation government grants is recognized in profit and loss account on a systematic basis over the expected useful life of the related asset.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a Government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the fair value of the loan and the proceeds received. It is recognized

Notes Forming Part of the Standalone Financial Statements

as deferred income and released to statement of Profit & Loss in proportionate over the loan tenure and presented within other income. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.17 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.

3.18 Statement of Cash flow

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.19 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are recognised initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses if any.

Depreciation on buildings is calculated using straight line method to allocate their cost, net of residual values, over their estimated useful lives, depreciation is provided on useful life of assets as prescribed in schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

3.20 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.

3.21 Borrowing Costs

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.

3.22 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.

Notes Forming Part of the Standalone Financial Statements

3.23 Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

3.24 Changes in Material Accounting policies:

The Company has adopted Classification of Liabilities as Current or Non-current (Amendments to Ind AS 1) and non-current Liabilities with Covenants (Amendments to Ind AS 1) from 1 April 2025. These amendments apply retrospectively and clarify the criteria for determining whether a liability should be classified as current or non-current. They also introduce new disclosure requirements for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

3.25 New Accounting 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. for the year ended 31 March 2026, The Company applied following amendments for the first-time during the current year which are effective from 1 April 2024:

a) Ind AS 1 - Presentation of These Financial statements:

For accounting periods beginning on or after 1 April 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the These Financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, ounting Estimates and Errors.

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 and machinery	Testing tools and instruments	Electrical fittings	Computers	Office equipment	Furniture and fixtures	Vehicles	Total
Cost										
As at 1 April 2024	**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	-	-	-	-	-	-	-	-	-	-
As at 31 March 2025	**2,244.27**	**1,490.20**	**567.01**	**19,151.51**	**60.21**	**141.15**	**55.93**	**160.11**	**587.20**	**24,457.59**
As at 1 April 2025	**2,244.27**	**1,490.20**	**567.01**	**19,151.51**	**60.21**	**141.15**	**55.93**	**160.11**	**587.20**	**24,457.59**
Additions	2,832.12	489.28	3.91	7,731.33	-	49.55	17.16	18.55	104.66	11,246.57
Deletions	-	-	-	-	-	-	-	-	-	-
As at 31 March 2026	**5,076.39**	**1,979.48**	**570.92**	**26,882.84**	**60.21**	**190.70**	**73.09**	**178.66**	**691.86**	**35,704.15**
Accumulated depreciation										
As at 1 April 2024	**-**	**648.40**	**253.29**	**4,652.60**	**55.33**	**88.69**	**25.49**	**101.73**	**174.33**	**5,999.84**
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	-	-	-	-	-	-	-	-	-	-
As at 31 March 2025	**-**	**681.84**	**270.28**	**5,841.08**	**57.20**	**111.41**	**31.86**	**109.43**	**232.57**	**7,335.66**
As at 1 April 2025	**-**	**681.84**	**270.28**	**5,841.08**	**57.20**	**111.41**	**31.86**	**109.43**	**232.57**	**7,335.66**
Charge for the year	-	44.64	24.65	1,455.31	-	25.96	9.10	7.84	58.60	1,626.10
Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2026	**-**	**726.48**	**294.93**	**7,296.39**	**57.20**	**137.36**	**40.96**	**117.26**	**291.17**	**8,961.76**
Net carrying amount										
As at 31 March 2025	**2,244.27**	**808.36**	**296.73**	**13,310.43**	**3.01**	**29.74**	**24.07**	**50.68**	**354.63**	**17,121.93**
As at 31 March 2026	**5,076.39**	**1,253.00**	**275.99**	**19,586.45**	**3.01**	**53.34**	**32.13**	**61.39**	**400.69**	**26,742.40**

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.except for:

(a) Land allotted by TSIIC, for which the title deed/registration is yet to be executed in the name of the Company as per the terms of allotment.

(b) A flat purchased from Ambience Projects and Infrastructure Pvt. Ltd, for which possession has been received by the Company as of the reporting date; however, the registration of the property is pending.

Accordingly, the title deeds of the above properties are not held in the name of the Company as at the reporting date.

(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.3.6

Notes Forming Part of the Standalone Financial Statements

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

(iii) All Properties Plant and Equipments are under charge created by the company for the loans availed from banks and Non-Banking Financial Companies.

(iv) Property Plant and equipment were tested for impairment by the technical executives with in company during the year for any indications of existing impairment. As per their advice for no impairment, the company has not recorded any impairment during the year ending 31 March 2026.

(v) The company has not revalued its Property, Plant and Equipment (including Right-of Use Assets) and intangible assets.

4 (b) Capital work-in-progress

Particulars	Testing tools and instruments	Civil work in progress	Total
Cost			
As at 1 April 2024	**2,300.99**	**96.76**	**2,397.75**
Additions	3,352.30	3,175.74	6,528.04
Deletions	3,052.31	-	3,052.31
As at 31 March 2025	**2,600.98**	**3,272.50**	**5,873.48**
As at 1 April 2025	**2,600.98**	**3,272.50**	**5,873.48**
Additions	7,253.39	11,445.73	18,699.11
Deletions	7,512.88	-	7,512.88
As at 31 March 2026	**2,341.49**	**14,718.23**	**17,059.72**
Accumulated depreciation			
As at 1 April 2024	**-**	**-**	**-**
Charge for the year	-	-	-
Adjustments			-
As at 31 March 2025	**-**	**-**	**-**
As at 1 April 2025	**-**	**-**	**-**
Charge for the year	-	-	-
Adjustments			-
As at 31 March 2026	**-**	**-**	**-**
Net carrying amount			
As at 31 March 2025	**2,600.98**	**3,272.50**	**5,873.48**
As at 31 March 2026	**2,341.49**	**14,718.23**	**17,059.72**

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 2026

Particulars	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Projects in progress	13,787.21	3,175.74	96.76	-	17,059.72
Projects temporarily suspended	-	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

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

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	-	-	-	-	-

2 There are no projects as capital work in progress, as at 31 March 2026 and 31 March 2025 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

3 As of 31 March 2026 and 31 March 2025, the Company was committed to spend ₹ 1,211.05 lakhs and ₹ 561,55 lakhs respectively, under agreements to purchase property, plant and equipment. This amount is net of capital advances paid in respect of such purchase commitments.

4 During the years ended 31 March 2026 and 31 March 2025, the Company capitalised interest cost of ₹ 1,158.96 lakhs and ₹433.44, respectively, with respect to qualifying assets. The average rate for capitalisation of interest cost for the years ended 31 March 2026 and 31 March 2025 was approximately 7.38% and 10.18% respectively

4 (c) Right-of-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	Buildings	Total
Cost				
As at 1 April 2024	**232.16**	**-**	**-**	**232.16**
Additions	365.92	27.22	-	393.14
Deletions	-	-	-	-
As at 31 March 2025	**598.08**	**27.22**	**-**	**625.30**
As at 1 April 2025	**598.08**	**27.22**	**-**	**625.30**
Additions	-	-	44.29	44.29
Deletions	-	-	-	-
As at 31 March 2026	**598.08**	**27.22**	**44.29**	**669.59**
Accumulated depreciation				
As at 1 April 2024	**54.22**	**-**	**-**	**54.22**
Charge for the year	102.56	6.80	-	109.36
Adjustments	-			-
As at 31 March 2025	**156.78**	**6.80**	**-**	**163.58**
As at 1 April 2025	**156.78**	**6.80**	**-**	**163.58**
Charge for the year	133.05	9.07	14.76	156.89
Adjustments	-	-	-	-
As at 31 March 2026	**289.83**	**15.87**	**14.76**	**320.47**
Net carrying amount				
As at 31 March 2025	**441.30**	**20.42**	**-**	**461.72**
As at 31 March 2026	**308.25**	**11.35**	**29.53**	**349.12**

Notes Forming Part of the Standalone Financial Statements

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

The following are the amounts recognised in the statement of profit and loss:

	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation expense of right-of-use assets	156.89	109.36
Interest expense on lease liabilities	42.26	33.41
Expenses related to short term leases	-	18.29
Total	**199.15**	161.06

The Company had total cash outflows for leases (excluding short term leases) of ₹184.41 lakhs and ₹127.67 lakhs during the year ended 31 March 2026 and 31 March 2025, respectively. The maturity analysis of lease liabilities is disclosed in note 40 of these financial statements.

4 (d) Intangible assets

Particulars	Softwares Amount ₹
Cost	
As at 1 April 2024	**216.80**
Additions	402.69
Deletions	-
As at 31 March 2025	**619.49**
As at 1 April 2025	**619.49**
Additions	226.02
Deletions	-
As at 31 March 2026	**845.51**
Accumulated Ammortization	
As at 1 April 2024	**33.71**
Charge for the year	86.76
Adjustments	-
As at 31 March 2025	**120.48**
As at 1 April 2025	**120.48**
Charge for the year	165.90
Adjustments	-
As at 31 March 2026	**286.38**
Net carrying amount	
As at 31 March 2025	**499.01**
As at 31 March 2026	**559.14**

Notes Forming Part of the Standalone Financial Statements

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

5 Non-current assets

(i) Investments at carrying cost

	As at 31 March 2026	As at 31 March 2025
Investments in equity instruments: (Unquoted), fully paid up		
Investment in equity shares of subsidiaries:		
2,10,940 (As on 31 March 2025: 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 2025: 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.	-	60.00
	133.65	**193.65**
Note:		
i) Aggregate carrying value of unquoted investments	133.65	193.65
ii) Aggregate amount of impairment in value of investments	-	-

(ii) Loans:

	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good		
Loan to related parties		
Loan to subsidiaries and step-down subsidiaries (refer notes below)	31,555.75	1,786.61
Other loans		
Loans to employees	60.07	40.48
	31,615.82	**1,827.09**

Notes:

Name	Nature of Company	Interest rate	Outstanding amount	Tenure
Ananya Sip RF Technologies Pvt Ltd	Subsidiary	9.90%	353.08	with no stipulated repayment period.
Apollo Defence Industries Pvt Ltd	Subsidiary	9.90%	12,432.70	
IDL Explosives Limited	Step-down	9.90%	18,757.61	
Apollo Strategic Technology Pvt Ltd	Step-down	9.90%	12.36	

i) The above unsecured loan carries an interest rate of 9.90% per annum and interest is payable on quarterly basis with no stipulated repayment period.

The deemed investment recognized in the previous year in respect of a corporate financial guarantee provided to Apollo Defence Industries Private Limited (subsidiary) has been extinguished during the year upon repayment of the underlying borrowing. Consequently, no deemed investment is outstanding as at the reporting date.

Notes Forming Part of the Standalone Financial Statements

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

(iii) Other financial assets:

	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good		
for related parties:	-	-
Finance corporate guarantee commission receivable	-	40.00
others:		
Security deposits	869.24	705.25
	869.24	**745.25**

6 Other non-current assets

	As at 31 March 2026	As at 31 March 2025
Capital advances	1,621.44	529.34
Advance other than capital advances:		
-Security deposits	68.85	63.54
	1,690.29	**592.88**

7 Inventories

	As at 31 March 2026	As at 31 March 2025
Raw material	40,075.10	33,679.27
Work in progress	35,470.99	26,356.93
Finished goods	428.98	22.63
Stores, spares and packing materials	25.68	-
	76,000.75	**60,058.83**
- Carrying amount of inventories pledged as security for borrowings	57,000.56	45,044.13
- The write-down of inventories to net realisable value during the year amounted to	Nil	Nil

8 Trade receivables

	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good	45,441.35	23,843.26
Less: Allowance for expected credit loss	(147.59)	(10.31)
	45,293.76	**23,832.95**

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:

Notes Forming Part of the Standalone Financial Statements

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

Expected credit loss:

Ageing	Expected credit loss (%)
With credit period	0.00%
91-180 days past due	1.35%
More than 180 days past due	1.15%

Age of receivables	As at 31 March 2026	As at 31 March 2025
With credit period	33,538.81	11,319.04
91-180 days past due	6,073.74	7,131.92
More than 180 days past due	5,681.21	5,381.99
Total	**45,293.76**	**23,832.95**

Movement in the expected credit loss allowance

Expected credit loss	As at 31 March 2026	As at 31 March 2025
Balance at beginning of the year	(10.31)	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(137.28)	(10.31)
Balance at end of the year	(147.59)	(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 genually on term of respective contracts.

Trade receivable ageing

As at 31 March 2026

Particulars	Not due	< 6 month	6 month-1 Year"	1-2 Years	2-3 Years	> 3year	Total
(i) Undisputed trade receivables							
- considered good	33,538.81	6,073.74	502.18	2,531.46	50.87	2,596.69	45,293.76
- considered doubtful							
(ii) Disputed trade receivables							
- considered good	-	-	-	-	-	-	
- considered doubtful	-	-	-	-	-	-	
Total	**33,538.81**	**6,073.74**	**502.18**	**2,531.46**	**50.87**	**2,596.69**	**45,293.76**

Notes Forming Part of the Standalone Financial Statements

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

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	-	-	-	-	-	-	-
Total	**11,319.04**	**7,131.92**	**2,455.18**	**174.42**	**22.75**	**2,729.64**	**23,832.95**

9 Cash and cash equivalents

	As at 31 March 2026	As at 31 March 2025
Balances with banks:		
- in current accounts	2,020.23	5.62
Cash on hand	4.39	15.96
	2,024.62	**21.58**

10 Other bank balances

	As at 31 March 2026	As at 31 March 2025
Term deposits with Banks (original maturities of more than 3 months and less than 1 year)*	6,414.77	2,218.89
Earmarked balances with banks:		
Unpaid dividend accounts	4.27	2.00
	6,419.04	**2,220.89**

*Note: The above balances represents margin money deposits maintained against bank guarantees and letters of credit and it includes ₹ 2,500.00 lakhs out of the unutilized proceeds received from share warrants. These balances are subject to restrictions on withdrawal and are therefore classified as restricted balances.

11 Loans

	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good unless otherwise stated		
Demand loan to others	639.48	807.30
Less: Expected credit loss	(96.69)	(37.98)
	542.78	**769.32**

Notes Forming Part of the Standalone Financial Statements

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

12 Other current assets

	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good		
Other advances		
- For materials	16,694.92	9,543.92
Less: expected credit loss	(69.17)	(3.78)
	16,625.75	9,540.14
- For expenses	678.32	50.05
- Employee advances	38.42	14.40
- Others	56.20	39.65
Prepaid expenses	324.77	240.64
Receivable from statutory authorities	2,395.51	2,099.24
Accrued income	4.35	1.06
Finance guarantee commission receivable	-	20.00
	20,123.33	**12,005.18**

13 Share capital

	As at 31 March 2026	As at 31 March 2025
Authorised		
45,00,00,000 (March 31, 2025: 45,00,00,000) equity shares of ₹1 each	4,500.00	4,500.00
Issued, subscribed and fully paid-up		
35,72,92,440 (March 31, 2025: 30,64,89,560) equity shares of ₹1 each fully paid-up	3,572.92	3,064.90
Total	**3,572.92**	**3,064.90**

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	For the year ended			
	31-03-2026		31-03-2025	
	No. of equity shares (Face Value ₹1/-)	Amount ₹	No. of equity shares (Face Value ₹1/-)	Amount ₹
Outstanding at the Beginning of the year	30,64,89,560	3,064.90	28,23,58,860	2,823.59
Add:				
i) Issued during the year	2,70,42,894	270.43	-	-
ii) Conversion of warrants	2,37,59,986	237.60	2,41,30,700	241.31
At the end of the year	35,72,92,440	3,572.92	30,64,89,560	3,064.90

Notes Forming Part of the Standalone Financial Statements

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

(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 ensuing 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	For the year ended			
	31-03-2026		31-03-2025	
	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	47.28%	16,89,22,900	55.12%
	-		-	

d) Details of Shares held by promoters

Name	As at 31 March 2026				
	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	16,89,22,900	-	16,89,22,900	47.28%	(14.22)
Srilakshmi Reddy Vangeti	100	-	100	0.00%	-
Baddam Chanakya Reddy	-	84,00,600	84,00,600	2.35%	-
Baddam Kanishka Reddy	-	84,00,600	84,00,600	2.35%	-
Total	**16,89,23,000**	**1,68,01,200**	**18,57,24,200**		

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%	-
Total	**15,02,57,000**	1,86,66,000	**16,89,23,000**		

e) Dividend declared and paid

Particulars	31 March 2026	31 March 2025
During the FY 2025-26: Company declared a final dividend of ₹.0.25 per share, approved by its shareholders in Annual General Meeting held on 16 Septemeber 2025 for the year ended 31.03.2025 and dividend also paid during the year.	833.84	
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 Septemeber 2024 for the year ended 31.03.2024 and dividend also paid during the year.		153.25

Notes Forming Part of the Standalone Financial Statements

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

f) The company has issued 3,80,67,058 warrants in FY 2025-26 which are fully convertible in to equal number of equity shares, During the year, 2,37,59,986 warrants were converted into an equal number of equity shares, while the remaining 1,43,07,072 warrants remained outstanding for conversion as on 31 March 2026.

Particulars	No of warrant	Amount
During the year number of warrants converted in to equal number of equity shares at ₹1 each at premium of ₹ 113 per share.	2,37,59,986	27,086.38
Amount received against outstanding convertible warrants	1,43,07,072	4,077.52
Total amount received during the year	**3,80,67,058**	**31,163.90**

g Equity shares issued during the year:

(i) The Company has issued 2,70,42,894 equity shares of ₹1 each, at a premium of ₹113 on preferential basis during the financials year 2025-26.

(ii) The Company has issued 2,37,59,986 equity shares of ₹1 each upon conversion of equal number of warrants, at a premium of ₹113 by way of preferential allotment during the financials year 2025-26.

Accordingly, the Company received securities premium amounting to ₹57,407.25 lakhs from the above issue and conversion of warrants.

Particulars	No of warrant	Amount
During the year issue of equity shares at ₹1 each at premium of ₹113	2,70,42,894	30,828.90
Partial shares issue expenses	-	(1,855.97)
	2,70,42,894	**28,972.93**

h) No 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.

i) The issue of warrants, resulting in the conversion of part thereof into share capital on various occasions during the year, was carried out in compliance with the SEBI (ICDR) Regulations and with the approval of SEBI.

j) Share issue expenses comprise Statutory/regulatory fee, brokerage and other incidental expenses incurred in connection with the issue of equity shares and convertible warrants during the financial year.

14 Other equity

	As at 31 March 2026	As at 31 March 2025
Securities premium		
Balance as at the beginning of the year	33,935.29	29,688.29
Add: Premium on fresh issue	57,407.25	4,247.00
Less: Issue expenses during the year	(1,855.97)	-
Balance at the end of the year	**89,486.58**	**33,935.29**
Retained earnings		
Balance as at the beginning of the year	23,821.69	18,250.78
Add: Profit for the year	12,057.89	5,724.16
Less: Dividend paid during the year	(833.84)	(153.25)
Balance at the end of the year	**35,045.75**	**23,821.69**

Notes Forming Part of the Standalone Financial Statements

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

	As at 31 March 2026	As at 31 March 2025
Other comprehensive income		
Balance as at the beginning of the year	40.00	54.25
Add: Actuarial gain/(loss) recognised	10.58	(14.25)
Balance at the end of the year	**50.58**	**40.00**
Money received against share warrants		
Balance as at the beginning of the year	-	1,122.08
Add: money received against warrants issued during the year	31,163.90	3,366.23
Less: warrants converted in to equity	(27,086.38)	(4,488.31)
Balance at the end of the year	**4,077.52**	**-**
Total other equity	**1,28,660.44**	**57,796.98**

Note:

a) Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.

b) Retained earnings represent prior years undistributed earnings after taxes.

c) 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.

d) Money received against share warrants: Represents the amounts received by the Company for conversion of warrants in to shares.

15 Borrowings

(a) Non-current borrowings

	As at 31 March 2026	As at 31 March 2025
Secured:		
From Banks (refer note (i) below)		
Vehicle loans	142.48	127.41
Term loans	10,616.82	3,377.73
From others		
Inter corporate loans (refer note (ii) below)		
Vehicle loans	-	21.39
Others		
Term loans	1,166.67	294.60
	11,925.97	**3,821.13**

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 31.03.2026	Outstanding as at 31.03.2025
HDFC Bank Limited	7.63% to 9.80%	36-60 instalments	130.12	112.50
Indian Overseas Bank	9.05%	84 instalments	12.36	14.91

$ Term loans:

Lender	Interest rate p.a	Tenure	Outstanding as at 31.03.2026	Outstanding as at 31.03.2025
State Bank of India	10.00%	27 Quarterly instalments from 28.02.2026	6,638.35	2,969.82
Indian Overseas Bank (loan taken for R&D expenditure)	13.10%	36 instalments	15.65	157.49
Indian Overseas Bank (loan taken for Building)	10.25%	108 instalments	242.82	250.41
Bandhan Bank	10.00%	60 instalments	3,720.00	-

(ii) Inter corporate loans:

Lender	Interest rate p.a	Tenure	Outstanding as at 31.03.2026	Outstanding as at 31.03.2025
BMW India Financial Services Pvt Ltd	9.25%	48 instalments	-	21.39

$ From others:

Lender	Interest rate p.a	Tenure	Outstanding as at 31.03.2026	Outstanding as at 31.03.2025
Bajaj Finance Limited	9.85% to 9.55%	36 instalments	1,166.67	294.60

(a)The above loans is secured by hypothecation of the vehicles for which the loan was taken.

$ (b) The above term loans, repayable as per the respective agreements, are secured by hypothecation of the specific assets created out of the loans financed by banks/NBFCs Viz. State Bank of India (SBI), HDFC Bank, Bandhan Bank, Indian Overseas Bank, Non-Banking Financial Companies (NBFCs) and other inter-corporate loans. The loans are also secured by way of equitable mortgage of the specific properties properties of the Company, its promoters and third parties.

(c) The above referred loans are further secured by the personal guarantees of the two Directors and others in their individual capacities.

d) Term Loans of Bandhan Bank and Bajaj Finance Limited are also secured by 2nd charge over all the fixed assets of the company.

(e) There is no default as at 31 March 2026 and 31 March 2025, in repayment of loans and interest payments.

(f) The funds raised from borrowings are utilised for the purpose for which they were borrowed.

Notes Forming Part of the Standalone Financial Statements

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

Reconciliation of liabilities arising from financing activities

non-current borrowings

Particulars	For the year ended	
	31 March, 2026	31 March, 2025
Opening balance at the beginning of the year	3,821.13	943.73
Borrowings during the year	12,859.91	3,870.42
Borrowings repaid during the year	(4,755.06)	(993.02)
Closing balance at the end of the year	**11,925.97**	**3,821.13**

(b) Current borrowings

	As at 31 March 2026	As at 31 March 2025
Secured,		
From Banks (Repayable on demand or over draft from)		
- State Bank of India	12,284.88	9,255.19
- HDFC Bank	14,534.05	12,100.84
- Bandhan Bank	2,991.76	-
From others (refer note below)		
- National Small Industries Corporation	0.49	469.66
- Intercorporate loans	2,400.00	2,400.00
- Current maturities of long-term debts	**4,367.35**	**1,022.38**
Total current borrowings	**36,578.53**	**25,248.07**

Notes: Loans repayable on demand:

Name of the Bank	Rate of interest	Nature
State Bank of India	9.90%	Overdraft
HDFC Bank	9.75%	Overdraft
Bandhan Bank	9.75%	Overdraft
Bajaj Finance Ltd	9.75%	Overdraft
National Small Industries Corporation	9.00%	Raw material assistance

(i) The above loans including Letter of Credit and Bank Guarantees repayable on demand and secured by hypothecation of inventories, book debts and all other current assets ranking pari passu with loans from State Bank of India (SBI), HDFC Bank, Bandhan Bank, and Non-Banking Financial Companies (NBFCs). The loans are also secured by way of equitable mortgage of the specific properties of the Company, promoters and third parties separately for each lender.

(ii) The above referred loans are further secured by the personal guarantees of the two Directors and others in their individual capacities.

(iii) State Bank of India, Bandhan Bank and Bajaj Finance Limited Working capital limits are also secured by Lien over Fixed deposits of the company.

(iv) There is no default as at 31 March 2026 and 31 March 2025, in repayment of loans and interest payments.

(v) The funds raised from borrowings are utilised for the purpose for which they were borrowed.

Notes Forming Part of the Standalone Financial Statements

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

Reconciliation of liabilities arising from financing activities

Current borrowings

	For the year ended 31 March, 2026	For the year ended 31 March, 2025
Opening balance at the beginning of the year	25,248.07	19,694.08
Borrowings during the year (net)	11,330.45	5,553.98
Closing balance at the end of the year	**36,578.53**	**25,248.07**

16 Lease liabilities

	As at 31 March 2026	As at 31 March 2025
Lease liabilities:		
(a) Non-current	192.07	269.13
	192.07	**269.13**
(b) Current	168.51	189.31
	168.51	**189.31**
(for disclosure information please refer note 40)	**360.58**	**458.44**

Reconciliation of liabilities arising from financing activities

	For the year ended 31 March, 2026	For the year ended 31 March, 2025
Opening balance at the beginning of the year	458.44	176.63
Recognition of right-of-use liability during the year	44.29	376.07
Interest on Lease liabilities	42.26	33.41
Payment of principal portion of lease liabilities	(184.41)	(127.67)
Closing balance at the end of the year	**360.58**	**458.44**

Other non-current liabilites

17 Other financial liabilities

	As at 31 March 2026	As at 31 March 2025
Deferred financial gaurantee commission	-	120.00
	-	**120.00**

Notes Forming Part of the Standalone Financial Statements

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

18 Provisions

	As at 31 March 2026	As at 31 March 2025
(a) Non-current		
Provision for employee benefits		
- Gratuity (refer Note 38)	160.04	149.60
- Compensated absences	29.62	14.84
	189.66	**164.44**
(b) Current		
Provision for employee benefits		
- Gratuity (refer Note 38)	13.85	35.01
- Compensated absences	10.57	4.51
	24.42	**39.52**

19 (a) Deferred tax liabilities (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Analysis of deferred tax asset/(liabilities) (see note (b) below)		
Deferred tax liabilities	5,721.80	4,116.79
Deferred tax assets	(38.64)	(42.98)
Deferred tax liability (net)	**5,683.16**	**4,073.81**

(b) The balance comprises temporary differences attributable to:

Particulars	As at 1 April 2025	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	As at 31 March 2026
Difference between tax base and books base:				
-Property, plant & equipment	4,116.79	1,605.01	-	5,721.80
-Employee benefits, others	(42.98)	-	4.34	(38.64)
Total	**4073.82**	**1,605.01**	**4.34**	**5,683.16**

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	3,396.08	720.72	-	4,116.79
- Employee benefits, others	(28.52)	(8.59)	(5.85)	(42.98)
Total	**3367.55**	**712.13**	**(5.85)**	**4,073.81**

Notes Forming Part of the Standalone Financial Statements

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

20 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Trade payables		
- Dues of micro enterprises and small enterprises (MSME) (refer Note 39)	83.48	42.13
- Dues of other than micro enterprises and small enterprises (others)	35,564.37	27,945.87
	35,647.85	**27,988.00**

Trade payables ageing schedule

As at 31 March 2026

Particulars	Not due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME	74.62	8.86	-	-	-	83.48
(ii) - Others	35,006.65	377.27	12.76	76.11	91.58	35,564.37
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) - Others	-	-	-	-	-	-
Total	**35,081.27**	**386.13**	**12.76**	**76.11**	**91.58**	**35,647.85**

As at 31 March 2025

Particulars	Not due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME	42.13	-	-	-	-	42.13
(ii) - Others	23,650.02	3,986.83	241.18	67.84		27,945.87
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) - Others	-	-	-	-	-	-
Total	**23,692.15**	**3,986.83**	**241.18**	**67.84**	**-**	**27,988.00**

21 Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Creditors for capital goods	1,797.92	284.22
Employee related payables	216.67	167.11
Provision for expenses	90.06	87.82
Unpaid dividend	4.27	2.00
	2,108.92	**541.15**

22 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Advance from customers*	560.16	653.29
Statutory deductions pending for payment	158.45	119.46
	718.61	**772.75**

Notes Forming Part of the Standalone Financial Statements

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

Movement of Contract liabilities:

Particulars	As at 31 March 2026	As at 31 March 2025
Opening contract liabilities	**653.29**	**1,222.90**
Add: Amount received in advance	560.16	653.29
Less: Amount refunded to customers	-	-
Less: Revenue recognized	653.29	1,222.90
Closing contract liabilities	**560.16**	**653.29**

* 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

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Provision for income tax	3,709.04	1,891.00
Pertaining to earlier years	243.56	243.56
	3,952.60	**2,134.56**

24 Revenue from operations

	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of products	75,313.83	55,559.86
Sale of services	1,171.49	647.06
	76,485.32	**56,206.92**

(For disaggregation information refer note.46)

25 Other income

	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest on bank deposits, and others	323.22	170.71
Interest on loans	1,363.82	203.69
Recoveries from amounts previously written back	1.27	15.59
Liabilities no longer required written back	15.54	14.03
Rental income	4.95	0.80
Discounts and Credit card rewards	7.49	-
Corporate guarantee commission	16.67	-
Recoveries from employees	0.75	-
	1,733.71	**404.83**

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 31 March 2026	For the year ended 31 March 2025
Raw materials		
Opening stock	33,679.27	20,842.06
Add: Purchases	64,007.29	55,418.58
Add: directly attributable to costs	1,635.06	985.77
	99,321.62	77,246.41
Less : Closing stock	40,075.10	33,679.27
Cost of materials consumed	**59,246.52**	**43,567.13**

27 Changes in inventories of finished goods and work in progress

	For the year ended 31 March 2026	For the year ended 31 March 2025
Closing stock		
Finished goods	428.98	22.63
Work in process	35,470.99	26,356.93
Total (A)	**35,899.97**	**26,379.56**
Opening stock		
Finished goods	22.63	610.43
Work in process	26,356.93	21,898.60
Total (B)	**26,379.56**	**22,509.04**
(Increase)/Decrease in inventories of finished goods and work in progress (B)-(A)	**(9,520.40)**	**(3,870.53)**

28 Employee benefits expense

	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries and wages	2,171.32	1,651.64
Contribution to provident and other funds	97.54	89.23
Gratuity expense (refer note no.38)	31.75	33.05
Managerial remuneration	228.00	227.93
Directors sitting fee	5.60	6.40
Staff welfare expenses	154.74	175.19
	2,688.95	**2,183.45**

29 Depreciation and amortization expenses

	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation of property plant & equipment (refer Note 4 (a))	1,626.10	1,335.82
Depreciation on Right-of-use assets (refer Note 4 (c))	156.88	109.36
Amortisation of Intangible Assets (refer Note 4(d))	165.90	86.76
	1,948.88	**1,531.94**

Notes Forming Part of the Standalone Financial Statements

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

30 Finance costs

	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest on		
Vehicle loans and others term loans	1,207.63	481.12
Working capital loans	2,454.60	2,000.71
Bank charges and commissions	1,164.93	1,332.55
Interest expense on lease liabilities	42.26	33.41
	4,869.42	**3,847.79**
Less: Amount included in cost of qualifying asset	1,158.96	433.44
	3,710.46	**3,414.35**

31 Other expenses

	For the year ended 31 March 2026	For the year ended 31 March 2025
Consumption of stores and spares	73.84	-
Business development expenses	136.30	92.97
Professional and consultancy charges	393.82	322.12
Travel and conveyance	356.92	307.31
Power and fuel	86.39	71.03
Insurance	139.45	95.55
Office maintenance	80.99	88.74
Repairs and maintenance	91.45	80.87
Printing and stationery	28.51	26.36
Communication expenses	21.23	14.70
Advertisement	17.31	13.70
contractual commitments	408.70	28.12
Audit fees (refer note 36)	14.95	13.65
Rates and taxes	36.03	22.87
Corporate social responsibility expenses (refer note.37)	74.80	100.00
Security charges	13.38	9.54
Donations	14.15	2.35
Loss on foreign currency transactions (net)	432.32	63.01
Expected credit loss on loans	58.71	37.99
Expected credit loss on trade receivables	133.50	10.31
Expected credit loss on trade advances	69.17	3.77
	2,681.93	**1,404.97**

Notes Forming Part of the Standalone Financial Statements

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

32 Tax expenses

	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Income tax expense		
Current tax on profits for the year	3,709.06	1,891.01
Earlier year tax adjustment	90.73	53.13
Total current tax expenses (A)	3,799.79	1,944.14
B. Deferred tax		
Decrease/(Increase) in deferred tax assets	-	(8.59)
(Decrease)/Increase in deferred tax liabilities	1,609.36	714.87
Total deferred tax expense/(benefit) (B)	**1,609.36**	**706.28**
C. Recognised in Other comprehensive income	**(4.34)**	**5.85**
Income tax expenses (A+B+C)	**5,404.80**	**2,656.27**

Reconciliation of effective tax rate

The income tax expense for the year can be reconciled to the accounting profit as follows :

	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit before taxes	17,462.69	8,380.43
Exceptional items	-	-
(A) Total net profit before tax	**17,462.69**	**8,380.43**
(B) Applicable tax rate under normal provisions	29.12%	29.12%
(C) Tax payable under provisions as per applicable rate = (A*B)	5,085.14	2,440.38
(D) Increase/decrease in tax on account of :		
Depreciation as per books	567.51	446.10
Depreciation as per Income tax act, 1961	(235.85)	(196.49)
Other items	(11.99)	(33.72)
Total of (D)	**319.68**	**215.89**
Tax as per normal provision under Income tax (C+D)	**5,404.81**	**2,656.28**
Effective tax rate in %	**30.95**	**31.70**

The Company's average effective tax rate for the year ended 31 March 2026 and 31 March 2025 were 30.95% and 31.70% respectively

(E) Details of adjustment of earlier years: ₹90.73 lakhs

During the year, an amount of ₹90.73 lakhs has been recognised as an adjustment relating to an under-provision of income tax pertaining to the financial year 2024–25. The adjustment represents the difference between the income tax provision originally recognised for FY 2024–25 and the actual tax liability determined subsequently.

(F) Uncertain tax positions

The Company is contesting various disallowances by the Income Tax authorities. The associated tax impact for disallowances being more likely than not to be accepted by tax authorities is ₹ 2,147.81 lakhs and ₹ 321.44 lakhs as of 31 March 2026 and 2025 respectively. Accordingly, no provision is made in these standalone financial statements as of 31 March 2026

(G) As at 31 March 2026, the Company does not have any carried forward tax losses or unabsorbed depreciation eligible for set-off against future taxable profits under the Income-tax Act, 1961.

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 2026	As at 31 March 2025
i) Contingent liabilities:		
(a) Claims against the Company not acknowledged as debts (refer note below (a))	2,147.81	321.44
(b) Guarantees		
- Outstanding Guarantees and performance guarantees to various Banks, in respect of the guarantees given by those banks in favour of various authorities and others (refer note below (b))	4,832.63	2,304.44
- Corporate financial Guarantee issued infavour of Apollo Defence Industries Private Limited, Subsidiary Company	-	5,000.00
ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;		
- At 31 March 2026, the Company has commitments relating to construction of new factory building at Shamshabad.	1,211.05	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 performance-guarantees on behalf of its customers in favor of various banks to support the customers' obligations to such banks. These guarantees and performance-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 2026, the aggregate amount of such outstanding guarantees and counter-guarantees amounted to ₹4,832.63, 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 2026 and balance outstanding as on that date are given below:

List of related parties

Name of the Parties	Nature of 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
M/s. IDL Explosives Limited	Step-down Subsidiary
Sri.Baddam Karunakar Reddy	Managing Director (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)
Sri.Aditya Kumar Halwasiya	Director
Mrs.Rukhya Parveen	Company Secretary (Key Management Personnel)
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 provided 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:

Compensation paid to key management personnel

Particulars	2025-26 Short-term employee benefits	2024-25 Short-term employee benefits
Remuneration:		
Sri.Baddam Karunakar Reddy	180.00	180.00
Sri.Addepalli Krishna Sai Kumar	24.00	24.00
Sri.Chiluveru Sudarshan	24.00	24.00
Sri.Chandrapati Venkata Siva Prasad	24.00	23.93
Mrs.Rukhya Parveen	11.55	11.08
	263.55	**263.01**

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 31 March 2026	For the year ended 31 March 2025
Sri.Baddam Karunakar Reddy	Dividend	422.31	84.46
Sri.Addepalli Krishna Sai Kumar	Dividend	5.43	1.09
Sri.Chiluveru Sudarshan	Dividend	0.00	0.00
Sri.Chandrapati Venkata Siva Prasad	Dividend	1.98	0.40
Sri.Aditya Kumar Halwasiya	Dividend	3.75	-
Sri.Baddam Karunakar Reddy	Rent	8.40	8.40
Sri.Raghupathy Goud Theegala	Sitting fees	2.20	2.40
Mrs.Karunasree Samudrala	Sitting fees	2.20	2.40
Sri.Chandrashekar Matham	Sitting fees	1.20	1.60
M/s.Ananya SIP RF Technologies Private Limited	Loans & Advances-net	(1,340.96)	709.35
M/s.Ananya SIP RF Technologies Private Limited	Interest received	55.55	115.51
M/s.Ananya SIP RF Technologies Private Limited	Job work charges	-	26.01
M/s.Ananya SIP RF Technologies Private Limited	Rent received	2.40	-
M/s.Ananya SIP RF Technologies Private Limited	Purchase of land and building	1,604.76	-
M/s.Apollo Strategic Technologies Private Limited	Rent received	0.60	0.20
M/s.Apollo Strategic Technologies Private Limited	Loans & Advances-net	12.10	-
M/s.Apollo Strategic Technologies Private Limited	Interest received	0.39	-
M/s.Apollo Food and Beverages Private Limited	Advance for supplies Received/(Repaid)	(450.00)	450.00
M/s.Apollo Defence Industries Private Limited	Loans & Advances-net	12,069.24	101.00
M/s.Apollo Defence Industries Private Limited	Interest received	669.82	0.30
M/s.Apollo Defence Industries Private Limited	Rent received	0.60	0.60
M/s.Apollo Defence Industries Private Limited	Guarantee commission Received	16.67	-
M/s.Apollo Defence Industries Private Limited	Deferred Guarantee commission income recognisation.-Net	(120.00)	120.00
M/s.Apollo Defence Industries Private Limited	Corporate finance Guarantee	(5,000.00)	5,000.00
M/s. IDL Explosives Limited	Rent received	0.45	-
M/s. IDL Explosives Limited	Interest received	557.79	-
M/s. IDL Explosives Limited	Loans & Advances-net	18,255.60	-

b. Outstanding balances:

	For the year ended 31 March 2026	For the year ended 31 March 2025
Rent to Sri. Baddam Karunakar Reddy	7.64	4.28
Remuneration payable to:		
Sri.Baddam Karunakar Reddy	0.24	9.17
Sri.Addepalli Krishna Sai Kumar	2.00	1.48
Sri.Chiluveru Sudarshan	1.75	1.48
Sri.Chandrapati Venkata Siva Prasad	1.74	1.55
Mrs.Rukhya Parveen	1.19	0.89
Sri. Raghupathy Goud Theegala	0.18	2.16
Mrs.Karunasree Samudrala	0.18	2.16
Sri.Chandrashekar Matham	0.18	1.44

Notes Forming Part of the Standalone Financial Statements

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

	For the year ended 31 March 2026	For the year ended 31 March 2025
Loans:		
M/s.Ananya SIP RF Technologies Private Limited (loan)	344.65	1,685.61
M/s.Ananya SIP RF Technologies Private Limited (interest)	8.43	-
M/s.Ananya SIP RF Technologies Private Limited (rent)	2.40	-
M/s.Apollo Strategic Technologies Private Limited (rent)	(0.05)	0.20
M/s.Apollo Strategic Technologies Private Limited (loan)	12.10	-
M/s.Apollo Strategic Technologies Private Limited (interest)	0.26	-
M/s.Apollo Food and Beverages Private Limited	-	450.00
M/s.Apollo Defence Industries Private Limited (loan)	12,170.24	101.00
M/s.Apollo Defence Industries Private Limited (interest)	262.47	-
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
M/s. IDL Explosives Limited (loan)	18,255.60	-
M/s. IDL Explosives Limited (interest)	502.01	-
M/s. IDL Explosives Limited (rent)	1.35	-

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 and step-down Subsidiary companies.

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.

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 31 March 2026	For the year ended 31 March 2025
Electronical components/goods	76,485.32	56,206.92
Others	-	-
Total Revenue	**76,485.32**	**56,206.92**

Notes Forming Part of the Standalone Financial Statements

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

b) Disaggregation by Geographical Areas

Product/Service Category	For the year ended 31 March 2026	For the year ended 31 March 2025
Domestic (India)	76,485.32	56,206.92
Export (outside India)	-	-
Total Revenue	**76,485.32**	**56,206.92**

c) Major customers

There are Two customers individually contributing more than 10% of Company's revenue and these customers contribute 22.05% of the revenue for the year ended on 31 March 2026. For the year ended 31 March 2025 there is one customer contributing 20.03% of the revenue for the year.

36 Payment to auditors

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Statutory audit fee	10.00	10.00
Tax Audit fee	3.00	3.00
Certification fee	1.95	0.65
Total	**14.95**	**13.65**

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 31 March 2026	For the year ended 31 March 2025
1	Amount required to be spent by the Company during the year	105.43	63.06
2	Amount incurred	-	-
	(a) CSR expenditure:		
	(i) Construction/acquisition of asset		
	(ii) For purposes other than (i) above	74.80	100.00
	(b) CSR expenditure for 'Ongoing Projects	-	-
	(c) Total CSR expenditure incurred during the year	**74.80**	**100.00**
3	Excess/(shortfall) at the end of the year {2(c) -1}	(30.63)	36.94
4	Previous years excess/(shortfall)	37.17	0.23
5	Total excess/(shortfall)	6.54	37.17
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	74.80	100.00
	Total	**74.80**	**100.00**

Notes Forming Part of the Standalone Financial Statements

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

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 31 March 2026	For the year ended 31 March 2025
Changes in present value of obligations		
Present value at the beginning of the year	185.91	140.29
Interest cost	12.45	9.68
Current Service Cost	20.23	23.66
Cost PSC - Vested	-	-
Benefits paid	(2.68)	(7.76)
Actuarial (gain)/loss on obligations	(15.70)	20.05
Present value at the end of the year	200.20	185.91
Changes in fair value of planned assets		
Fair value of plan assets at the beginning of the year	1.30	8.96
Acquisition adjustments	(0.93)	(2.28)
Expected return on plan assets	0.93	0.28
Contributions	28.49	2.15
Benefits paid	(2.68)	(7.76)
Actuarial (gain)/loss on planned assets	(0.78)	(0.05)
Fair value of plan assets at the end of the year	26.32	1.30
Amount recognized in the balance sheet		
Present value of obligations as at the end of year	200.20	185.91
Fair value of plan assets as at the end of year	(26.32)	(1.30)
Net asset/(liability) recognized in balance sheet	173.88	184.61
Expenses recognized in Statement of Profit and Loss		
Current service cost	20.23	23.66
Interest cost	12.45	9.68
Expected return on plan assets	(0.93)	(0.28)
Total Actuarial Gain/Loss.	31.75	33.05
Amount recognized in Other Comprehensive income		
Actuarial (gain)/ loss on obligations	(15.70)	20.05
Actuarial (gain)/loss - plan assets	0.78	0.05
Actuarial (gain)/loss recognized in the year	(14.92)	20.10

Notes Forming Part of the Standalone Financial Statements

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

(i) Regulatory Framework in which Plan operates:

The payment of Benefit is governed by LIC (group gratuity insurance manager).

(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).

(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 2026 and 31 March 2025, by asset category was as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Funds managed by insurers	100.00%	100.00%
Others	0.00%	0.00%

Notes Forming Part of the Standalone Financial Statements

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

(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 31 March 2026	For the year ended 31 March 2025
Discount rate (p.a)	7.67%	6.75%
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 31 March 2026	For the year ended 31 March 2025
+ 1% change	15.08	10.46
- 1% change	(12.12)	(8.68)
Salary increase		
+ 1% change	11.97	13.99
- 1% change	(13.83)	(17.02)

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.

(viii) Asset Liability Matching Reserves: The Company has Group Gratuity Insurance Manager for administering the Plan liability. The funds of the Plan liability are invested by the Group Gratuity Insurance Manager, pay the benefits to members of the enterprise as per Rules of the Group Gratuity Insurance Manager. So the Group Gratuity Insurance Manager is exposed to the liquidity risk of not being able to arrange for the benefit outgo due to cash liquidity problems and so the Group Gratuity Insurance Manager faces a liquidity risk.

(ix) Funding arrangements and Funding Policy: The Company has Group Gratuity Insurance Manager for administering the Plan liability. The funds of the Plan liability are invested by the Group Gratuity Insurance Manager pay the benefits to members of the enterprise as per Rules of the Group Gratuity Insurance Manager. So the Group Gratuity Insurance Manager is exposed to the liquidity risk of not being able to arrange for the benefit outgo due to cash liquidity problems and so the Group Gratuity Insurance Manager faces a liquidity risk. If the Group Gratuity Insurance Manager 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.

Notes Forming Part of the Standalone Financial Statements

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

(x) The expected future contributions in respect of gratuity as at 31 March 2026 were as follows:

Particulars	Amount in Lakhs
Expected contributions	
During the year ended 31 March 2027 (estimated)	20.23
Expected future benefit payments and maturity profile	
1 year	32.01
2 to 5 years	8.58
6 to 10 years	58.38
More than 10 years	659.92

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 ₹ 40.19 lakhs and ₹ 19.34 lakhs as at 31 March 2026 and 31 March 2025, 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 31 March 2026	For the year ended 31 March 2025
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	83.48	42.13
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end;	0.36	Nil
c) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.36	Nil
d) Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year;	8.86	Nil
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	0.36	Nil
g) Further interest remaining due and payable for even in succeeding years.	Nil	Nil

Notes Forming Part of the Standalone Financial Statements

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

40 Leases

Disclosure pursuant to Ind AS 116 "Leases"

(a) Where the Company is a lessor:

Operating leases: The Company has given buildings under operating lease. The lease income received during the year is ₹ 4.95 lakhs (previous year: ₹ 0.80 lakhs). Leases are renewed only on mutual consent and at a prevalent market price and sub-lease is generally restricted.

Annual undiscounted lease payments receivable is as under:

Particulars	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5years	Total
As at 31-3-2026	3.6	3.6	3.6	3.6	3.6	18.00
As at 31-3-2025	3.6	3.6	3.6	3.6	3.6	18.00

(b) Where the Company is a lessee:

The Company has taken various assets on lease such as, plant and equipment, buildings, and computer equipment. Generally, leases are renewed only on mutual consent and at a prevalent market price and sub-lease is restricted.

Details with respect to right-of-use assets:

Class of asset	Depreciation for the year		Additions during the year		Carrying amount	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Buildings	14.76	-	44.29	-	29.53	-
Plant & equipment	133.05	102.56	-	365.92	308.25	441.30
Computers	9.07	6.80	-	27.22	11.35	20.42
Total	**156.89**	**109.36**	**44.29**	**393.14**	**349.12**	**461.72**

(i) Interest expense on lease liabilities amounts to ₹ 42.26 Lakhs (previous year: ₹ 33.41 lakhs).

(ii) The expense relating to payments not included in the measurement of lease liability and recognized as expense in the Statement of Profit and Loss during the year are as follows:

* Low value leases - ₹Nil (previous year: ₹Nil)

* Short-term leases - ₹ Nil (previous year: ₹ 18.29 lakhs) and

(iii) Total cash out flow for leases amounts to ₹184.41 lakhs during the year (previous year: ₹145.96 lakhs) including cash outflow of short-term and low value 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.

Notes Forming Part of the Standalone Financial Statements

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

The changes in the carrying value of Right of use assets for the year ended 31 March 2026 are as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening balance	461.72	232.16
Additions	44.29	393.14
Depreciation	156.89	163.58
Closing balance	**349.12**	**461.72**

The break-up of current and non-current lease liabilities as at 31 March 2026 is as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current	168.51	189.31
Non-current	192.07	269.13
Total	**360.58**	**458.44**

The movement in lease liabilities during the year ended 31 March 2026 is as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening balance	458.44	176.63
Lease liability recognised during the year	44.29	376.07
Finance cost during the year	42.26	33.41
Payment of lease	(184.41)	(127.67)
Closing balance	**360.58**	**458.44**

The aggregate maturities of long-term leases, based on contractual maturities as of 31 March 2026 and 31 March 2025 were as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Lease Liabilities		
Before 3 months	37.87	32.05
3 – 6 months	37.76	32.05
6 – 12 months	63.58	64.10
1 – 3 years	187.63	296.34
3 – 5 years	33.74	33.91
Above 5 years	-	-
Total	**360.58**	**458.44**

Notes Forming Part of the Standalone Financial Statements

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

The following are the amounts recognised in the statement of profit and loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation expense of right-of-use assets	156.89	109.36
Interest expense on lease liabilities	42.26	33.41
Expenses related to short term leases	-	-
	199.15	**142.77**
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 ₹ Nil (for the year ended 31 March 2025: ₹18.29).

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.

Computation of basic and diluted earnings per share:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Profit for the year attributable to equity shareholders (₹ in lakhs)	12,057.89	5,724.16
Shares		
Weighted average number of equity shares outstanding during the year – basic	33,74,56,014	30,36,60,303
Add: Weighted average number of equity shares on account of pending share warrants to be allotted	38,02,411	-
Weighted average number of equity shares outstanding during the year – diluted	34,12,58,425	30,36,60,303
Earnings per share		
Earnings per share of par value ₹ 1 – basic (₹)	3.57	1.89
Earnings per share of par value ₹ 1 – diluted (₹)	3.53	1.89

Notes Forming Part of the Standalone Financial Statements

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

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 2026		For the year ended 31 March 2025	
			No of shares	Amount ₹	No of shares	Amount ₹
1	Ananya SIP RF Technologies Private Limited					
	investments in share capital	Subsidiary	210940	132.89	210940	132.89
	loan without repayment period	Subsidiary	NA	353.08	NA	1,685.61
2	Apollo Defence Industries Private Limited- investments					
	investments in share capital	Subsidiary	7600	0.76	7600	0.76
	loan without repayment period	Subsidiary	NA	12,432.70	NA	101.00
	Corporate finance guarantee	Subsidiary	NA	-	NA	5000.00
3	Apollo Strategic technologies Private Limited- investments					
	investments in share capital	Step-down Subsidiary	-	-	-	-
	loan without repayment period	Step-down Subsidiary	-	12.36	-	-
4	IDL Explosives Limited - investments					
	investments in share capital	Step-down Subsidiary	-	-	-	-
	loan without repayment period	Subsidiary	NA	18,757.61	-	-

43 Financial instruments

A. Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Notes Forming Part of the Standalone Financial Statements

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

B. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy

Particulars	Note	31 March 2026		31 March 2025		Fair value Level
		Total carrying value	Fair value/ Amortised cost	Total carrying value	Fair value/ Amortised cost	
Financial assets						
Trade receivables	8	45,293.76	45,293.76	23,832.95	23,832.95	-
Cash and cash equivalents	9	2,024.62	2,024.62	21.58	21.58	-
Other bank balances	10	6,419.04	6,419.04	2,220.89	2,220.89	-
Investments	5(i)	133.65	133.65	193.65	193.65	-
Loans	5(ii)& 11	32,158.60	32,158.60	2,596.41	2,596.41	-
Other financial assets	5(iii)	869.24	869.24	745.25	745.25	-
Total financial assets		86,898.92	86,898.92	29,610.73	29,610.73	-
Financial liabilities						
Borrowings	15(a) & 15(b)	48,504.50	48,504.50	29,069.20	29,069.20	-
Lease liabilities	16(a) & 16(b)	360.57	360.57	458.44	458.44	-
Trade payables	20	35,647.85	35,647.85	27,988.00	27,988.00	-
Other financial liabilities	17 & 21	2,108.92	2,108.92	661.15	661.15	-
Total financial liabilities		**86,621.85**	**86,621.85**	**58,176.78**	**58,176.78**	**-**

The fair value of trade receivables, other financial assets, cash and cash equivalents, other bank balances, loans, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

44 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 2026 and 31 March 2025. 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.

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 2026 and 31 March 2025.

Notes Forming Part of the Standalone Financial Statements

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

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:

Particulars	Increase/decrease in interest rate	Effect on profit before tax
31 March 2026		
Rupee	+1%	(485)
Rupee	-1%	485
31 March 2025		
Rupee	+1%	(291)
Rupee	-1%	291

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.

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.

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.

Notes Forming Part of the Standalone Financial Statements

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

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 31 March 2026	As at 31 March 2024
With credit period	33,538.81	11,319.04
91-180 days past due	6,073.74	7,131.92
More than 180 days past due	5,681.21	5,381.99
Total	**45,293.76**	**23,832.95**

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
Year ended 31 March 2026						
Borrowings	32,379.68	1,091.84	3,275.52	12,118.04	-	48,865.07
Trade payables	35,564.37	-	-	-	-	35,564.37
Year ended 31 March 2025						
Borrowings	24,415.00	255.60	766.79	4,090.26	-	29,527.63
Trade payables	27,945.87	-	-	-	-	27,945.87

45 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 it's 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.

Notes Forming Part of the Standalone Financial Statements

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

The capital structure as of 31 March 2026 and 31 March 2025 is as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Total equity attributable to the equity shareholders of the Company	1,32,233.36	60,861.89
As a percentage of total capital	73.2%	67.7%
Long term borrowings including current maturities	16,293.32	4,843.51
Short term borrowings	32,211.18	24,225.69
Total borrowings	48,505	29,069
As a percentage of total capital	26.8%	32.3%
Total capital (equity and borrowings)	**1,80,737.86**	**89,931.08**

46 Revenue from Contracts with customers

A. Disaggregated revenue information

Particulars	For the year ended 31 March 2026	For theyear ended 31 March 2025
1 Type of goods or service		
Product	75,313.83	55,559.86
Service Income	1,171.49	647.06
Total revenue from contracts with customers	**76,485.32**	**56,206.92**
2 Geographical revenue		
Revenue from contracts with customers		
-Within India	76,485.32	56,206.92
-Outside India	Nil	Nil
	76,485.32	**56,206.92**
3 Timing of revenue recognition		
Goods transferred at a point in time	75,313.83	55,559.86
Services transferred at a point in time	1,171.49	647.06
Total revenue from contracts with customers	**76,485.32**	**56,206.92**

* 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.

B. Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended 31 March 2026	For theyear ended 31 March 2025
Contract price	76,485.32	56,206.92
Less: Discounts and disallowances	NIL	NIL
Revenue from contract with customers	76,485.32	56,206.92

Notes Forming Part of the Standalone Financial Statements

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

C. Contract balances:

Particulars	Refer Note No.	For the year ended 31 March 2026	For theyear ended 31 March 2025
Trade receivables	8	45,441.35	23,843.26
Contract liabilities	22	560.16	653.29

D. Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:

Particulars	Refer Note No.	For the year ended 31 March 2026	For theyear ended 31 March 2025
Trade Receivables	8	45,441.35	23,843.26
Contract Liabilities	22	560.16	653.29

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.

47 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at March 31, 2026

48 Investment in Subsidiaries:

The Company has partly owned Subsidiaries and has no Associates or Joint ventures, the Company has significant investment in the Subsidiaries as per details below:

(a) This Financial Statements are Standalone Financial Statements

(b) The details of significant investment in Subsidiary Companies is as below:

Name of Subsidiary/step-down subsidiary	Share of investments	Country	Nature
Ananya SIP RF Technologies Pvt Ltd	51%	India	Subsidiairy
Apollo Defence Industries Pvt Ltd	76%	India	Subsidiairy
Apollo Strategic Technologies Pvt Ltd	51%	India	Step-down Subsidiairy
IDL Explosives Limited	100%	India	Step-down Subsidiairy

Notes Forming Part of the Standalone Financial Statements

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

49.1 Ratio analysis

Particulars	Numerator	Denominator	31 March 2026	31 March 2025	% change	Reason for variance
Current ratio	Current asset	Current liabilities	1.90	1.74	9.27	
Debt-equity ratio	Total debt	Shareholder's Equity	0.73	1.07	(31.56)	Due to increase in equity during the year
Debt service coverage ratio	Earning available for debt service	debt service	5.95	7.28	(18.27)	
Return on equity ratio	Net profit after taxes	Average shareholder's equity	12.49	10.15	23.06	
Inventory turnover ratio	Cost of goods Sold	Average inventory	0.73	0.77	(4.79)	
Trade receivable turnover ratio	Net sales	Average trade receivable	2.21	2.37	(6.77)	
Trade payable turnover ratio	Net Purchases	Average Trade Payable	2.02	2.47	(18.45)	
Net capital turnover ratio	Net sales	Average working capital	1.35	1.41	(4.26)	
Net profit ratio	Net profit after tax	Revenue from operation	15.76%	10.18%	54.80	Due to increase in profits during the year
Return on capital employed ratio	Earning before interest and taxes	Average capital employed	0.14	0.17	(17.18)	
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

49.2 Additional regulatory information as per Para L of General instructions to Balancesheet and Para 17 (I) to (m) of General insructions to Profit and loss account in Division-II of Schedule III of Act:

(1) The title deeds of all immovable properties disclosed in the financial statements are held in the name of the Company, except for:

(a) Land allotted by TSIIC, for which the title deed/registration is yet to be executed in the name of the Company as per the terms of allotment.

(b) A flat purchased in Chandigarh, for which possession has been received by the Company as of the reporting date; however, the registration of the property is pending.

Accordingly, the title deeds of the above properties are not held in the name of the Company as at the reporting date.

Notes Forming Part of the Standalone Financial Statements

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

Relevant line item in the Balance sheet and Name of seller	Description of item of property	Gross carrying value	Whether title deed holder is a promoter, director or relative# of promoter/ director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE/ TSIIC	Land	2,761.82	No	11.07.2025	registration of the property is pending.
PPE/Ambience Projects and Infrastructure Pvt. Ltd	Building (flat)	489.28	No	09.01.2026	

(2) The Company has no investment properties and, accordingly, disclosure of revaluation by a registered valuer is not applicable.

(3) The property Plant and Equipment held with the company are not subjected to any revaluation during the year.

(4) The Intangible assets held with the company are not subjected to any revaluation during the year

(5) The Company has not granted any loans or advances in the nature of loans to Promoters, Directors, KMPs and other related parties except some loans to Subsidiary Companies without specifying repayment period.

(a) repayable on demand: Nil

(b) without specifying period of repayment

Type of Borrower	Current Period			Previous Period		
	Amount of transactions	Amount outstanding*	% of Total^	Amount of transactions	Amount outstanding*	% of Total^
Subsidiary Companies:						
Ananya SIP RF Technologies Private Limited	374.79	353.08	1.10	1,175.22	1,685.61	64.92
Apollo Defence Industries Private Limited	23,002.84	12,432.70	38.66	101.00	101.00	3.89
Step-down Subsidiary Companies:						
Apollo Strategic Technologies Private Limited	12.10	12.36	0.04	-	-	-
IDL Explossives Limited	21,755.60	18,757.61	58.33	-	-	-

*represents loan or advance in the nature of loan including interest not over due

^ represents percentage to the total Loans and Advances in the nature of loans.

(6) Capital work in progress:

(a) Ageing details for Capital Work in Progress as on 31 March 2026

Particulars	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Projects in progress	13,787.21	3,175.74	96.76	-	17,059.72
Projects temporarily suspended	-	-	-	-	-

Notes Forming Part of the Standalone Financial Statements

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

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	-	-	-	-	-

There are no projects as capital work in progress, as at 31 March 2026 and 31 March 2025 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

(7) The Company does not have any intangeble assets under development as on reporting date

(8) 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 2026.

(9) 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.

(10) The Company is not declared as wilful defaulter by any Bank or Financial Institutions or RBI or other lenders.

(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 charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.

(13) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

(14 The financial ratios are calculated and provided in Note refer note 49.1

(15) There are no Schemes of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

(16) (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.

(17) 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)

(18) The Company is covered under Section 135 of the Companies Act and obiligation of ₹105.43 and the required disclosures are provided in Note 37

(19) 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)

50 Regulatory deferral accounting balances are not applicable to the Company

51 Audit Trail and Back up

Audit Trail – The Company has used tally accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

52 Subsequent events

There have been no material events occurring after the reporting date up to the date of approval of these standalone financial statements that require adjustment to or disclosure in these standalone financial statements.

53 Approval of Standalone Financial Statements

These Standalone Financial Statements were approved for issue by the Board of Directors in their meeting held on 18 May 2026.

Signatures to Note 1 to 53

As per our report of even date attached
for S.T.Mohite & Co
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056YFSVJL3298

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Place: Hyderabad
Date: 18 May 2026

Consolidated Financial Statements

Independent Auditor's Report

To the Members of
Apollo Micro Systems Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Apollo Micro Systems Limited (here in after referred to as the "Holding Company") and its subsidiaries (Holding Company and its two subsidiaries and two step down subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2026, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidate Financial Statements, including material accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, of its consolidated profit and other comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for opinion

We conducted our audit of the Consolidated 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 Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports except in case of a subsidiary, which is not material, referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated 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 Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated 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 Consolidated 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 Consolidated 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 Consolidated financial statements.

Key audit matter	Auditor's response
1. Revenue Recognition: The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Revenue from sale of goods is recognized when control of the products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The application of the revenue accounting standard involves certain significant judgements and estimates made by the management including identification of distinct performance obligations, determination of transaction price of the identified performance obligations, determination of transaction price, the appropriateness of the basis used to measure revenue recognized over a period. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. 1. Refer note no. 23 & 48 of the consolidated financial statements.	**Principal Audit Procedures:** We reviewed the Company's implementation of Ind AS 115, including recognition of the effect on opening equity and changes to procedures, accounting guidelines, disclosures and systems to support correct revenue recognition. We reviewed and discussed the accounting policy including the key accounting estimates and judgements made by management. We tested the relevant internal controls used to ensure the completeness, accuracy and timing of revenue recognised. We read a sample of contracts to assess whether the method for recognition of revenue was relevant and consistent with Ind AS 115 and had been applied consistently. We focused on contract classification, allocation of income and cost to the individual performance obligations and timing of transfer of control. We evaluated the significant judgements and estimates made by management in applying accounting policy to sample of contracts and we obtained evidence to support them, including contractual agreements, delivery records. We also considered the historical outturns of estimates used in prior periods. We applied Audit Techniques to establish, whether any revenue has been recognized where no corresponding accounts receivable or cash has been recorded in the general ledger.
2. Capital work in progress (CWIP): Appropriateness of recording of costs as 'capital work in progress': As at 31 March 2026, the company has recorded CWIP aggregating to ₹ 19,629.40 lakhs (after additions and capitalisation) towards- (i) various testing tools and instruments and expansion of its manufacturing facilities at ₹ 2,341.49 lakhs and (ii) civil works at ₹ 17,287.91 lakhs. Management has identified certain specific costs incurred for ₹ 7,512.88 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. Refer the note 4(b) to the consolidated financial statements.	We assessed the Company's process to verify the Capital expenditure incurred during the year. Our audit approach included testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • 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. • Review of capital expenditure, business plans, documents/information thereto and their controls effectiveness. • 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. • Tested the source documentation to determine whether the expenditure is in capital nature and has been appropriately approved and segregated into appropriate categories.

Key audit matter	Auditor's response
	• Scrutiny of relevant general ledgers to assess if the expenditure has been correctly accounted for. • Review of physical verification reports, for the verification carried out by the management for CWIP. • Our procedures as mentioned above did not identify any costs that has been inappropriately capitalised. • Ensuring adequacy of disclosures in consolidated financial statements. • 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.
3. Inventories: The Company carries significant inventories amounting to ₹ 79,528.92 lakhs as on 31 March 2026. Inventory constitutes 47.76% of total current assets and 33.58% of total assets With such a huge volume of inventories there is a risk of obsolescence. Since the inventories are specific for customers. Given the significant judgment and estimates involved in the management assessments, the inventories are identified as key audit matter. Refer to note-7 of the consolidated financial statements	In view of significance of the matter we applied the following procedures: • 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. • 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 • Assessing the design implementation and operating effectiveness of management's key internal controls over classification, valuation and valuation models. • Reviewed the policy of management for physical verification and the documents related to management physical count procedure followed. • Sample testing of orders received , purchase and cost accumulation in the value of stock in process. • Compare the cost of inventory with estimated net realisable value by comparing actual selling price prevailing around and subsequent to the year end. • 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. • Assessed and valuated the appropriateness of disclosures made in the consolidated financial statements.

Key audit matter	Auditor's response
4. Accounting for Business Combination – Recognition of Goodwill on Provisional Basis During the year, the Group acquired 100% of the equity shareholding of [IDL Explosives Limited] ("IDL") through a share acquisition, whereby equity shares of the Company were allotted to the shareholders of the IDL in consideration for the entire share capital of the IDL. Consequent to this transaction, the IDL became a wholly-owned step-down subsidiary of the Company, and the transaction has been accounted for as a business combination under Ind AS 103, Business Combinations. At the acquisition date, the IDL identifiable liabilities exceeded its identifiable assets (i.e., negative net assets), while the fair value of consideration transferred was positive. This has resulted in the recognition of goodwill amounting to ₹ 14,517.66 lakhs, being the excess of consideration transferred over the net identifiable assets (negative) acquired, in accordance with paragraph 32 of Ind AS 103. As at the balance sheet date, the Company has not carried out a fair valuation of the identifiable assets acquired and liabilities assumed of the Target. Management has proposed that the Purchase Price Allocation (PPA) exercise, including fair valuation of assets and liabilities and consequent reassessment of goodwill, will be completed within the measurement period of twelve months from the acquisition date, as permitted under paragraphs 45–50 of Ind AS 103. Accordingly, the goodwill recognized as at the balance sheet date is provisional in nature and is based on the book values of assets and liabilities of the Target rather than their fair values, pending completion of the PPA. This matter has been determined to be a Key Audit Matter because: • The determination of the fair value of consideration transferred involves significant estimation and judgment. • The quantum of goodwill recognized is material to the financial statements, and any subsequent fair valuation during the measurement period could result in a significant retrospective adjustment to goodwill, with consequential impact on the opening balance sheet and comparatives. Given the materiality of the amount involved, in net negative assets the judgment inherent in valuing the consideration transferred, and the fact that the purchase price allocation remains incomplete as at the reporting date, we have identified this as a Key Audit Matter. Refer note 47 of consolidated financial statements.	Our audit procedures in relation to this matter included, among others: • Understanding and evaluating the terms of the share agreement and the basis on which the transaction has been accounted for as a business combination under Ind AS 103. • Evaluating the identification of the acquirer under Ind AS 103, confirming that the legal acquirer (the Group Company) is also the accounting acquirer. • Accounting of provisional goodwill recognized based on the consideration transferred and the book value of net assets (negative) acquired and agreeing this to the underlying acquisition-date balance sheet of the IDL. • Testing the journal entries recorded for the acquisition, recognition of the investment/net assets of the Target, and the resultant goodwill. • Evaluating the adequacy of disclosures in the financial statements as required under Ind AS 103, specifically: • The fact that the initial accounting for the business combination is incomplete for price allocation; • The assets, liabilities and goodwill recognized on a provisional basis. • Evaluating management's future profitability assumptions used to support the commercial rationale for the acquisition purchase, by: • Comparing projected cash flows/profitability as per management estimates; and • Assessing the reasonableness of key assumptions (revenue growth, margins, synergies) with reference to industry data and past forecasting accuracy. Obtained a written representation from management regarding its assessment that no impairment indicators exist for the provisional goodwill as at the reporting date.

Other Information

The Holding 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 thereto, Business Responsibility Report, Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each companies 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 entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated 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 Holding Company and its subsidiary companies which are incorporated in India, has adequate internal financial controls with reference to Consolidated Financial Statements in place system 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Consolidated Financial Statements and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditor's 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 Consolidated 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 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for the matters stated in paragraph 1(h)(iv) below on reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014, as amended.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries which are incorporated in India as on 31 March 2026 taken on record by the Board of Directors of respective companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 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 1(b) above on reporting under section 143(3)(b) and paragraph 1(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 financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A' which is based on the consideration of the other statutory auditors of the subsidiary company incorporated in India which were not audited by us . Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to Consolidated Financial Statements of those Companies.

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 holding company and its subsidiaries incorporated in India, have paid/provided for managerial remuneration in accordance with requisite approvals mandated by the provisions of section 197 read with schedule V to 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 Consolidated Financial Statements disclose the impact of pending litigations as on 31 March 2026, on the consolidated financial position of the Group. Refer note 34 of Consolidated Financial Statements.

ii) The Group didn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary incorporated in India.

iv) a. The respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditor of such subsidiaries respectively that, to the best of their 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 or any of such subsidiaries 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, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b. The respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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 performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, 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 holding / Group company has paid dividends during the year which was declared for the previous year is in compliance with the provisions of section 123 of the Act to the extent that it applies to payment of dividend.

vi) Based on the examination which included test checks and accordance with requirements of the implementation guide on reporting on audit trial under Rule 11(g) of companies (Audit and Auditors) Rules 2014, we report that the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention

vii) The holding company and its subsidiaries incorporated in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **S.T.Mohite & Co**
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sd/-
CA. Hima Bindu Sagala
Partner
Membership No.: 231056
Place: Hyderabad
Date: 18 May 2026 ICAI UDIN: 26231056QQVHAH6926

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1(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")

In conjunction with our audit of Consolidated Financial Statements of the Apollo Micro Systems Limited ("the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to the consolidated financial statements of the Holding Company and it's subsidiaries (Holding Company and it's subsidiaries together referred as 'the Group') which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective management and Board of Directors of the Holding company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control with reference to 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 Holding company's internal financial controls with reference to consolidated 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 consolidated financial statements was 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated 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 Consolidated 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 Holding company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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, to the best of our information and according to the explanations given to us, the Holding company and its subsidiary companies has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2026, based on the criteria for internal financial control over financial reporting 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 ICAI.

For **S.T.Mohite & Co**
Chartered Accountants
ICAI Firm Registration Number: 011410S

Sd/-
CA. Hima Bindu Sagala
Partner
Membership No.: 231056
Place: Hyderabad
Date: 18 May 2026 ICAI UDIN: 26231056QQVHAH6926

Consolidated Balance Sheet

as at 31 March 2026

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

Particulars	Note No	As at 31 March 2026	As at 31 March 2025
ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	4(a)	31,525.89	17,227.13
(b) Capital work-in-progress	4(b)	19,629.40	7,228.24
(c) Right-of-use assets	4(c)	1,113.97	461.72
(d) Intangible assets	4(d)	580.58	499.02
(e) Goodwill	5	14,519.55	1.89
(f) Other non-current assets	6	2,930.76	1,602.48
Total non-current assets		**70,300.15**	**27,020.48**
2 Current assets			
(a) Inventories	7	79,528.92	60,063.61
(b) Financial assets			
(i) Trade receivables	8	48,093.46	23,832.95
(ii) Cash and cash equivalents	9	8,950.32	4,026.96
(iii) Other bank balances	10	6,661.11	2,220.89
(iv) Loans	11	542.79	769.31
(c) Other current assets	12	22,735.28	12,014.66
Total current assets		**1,66,511.88**	**1,02,928.38**
TOTAL ASSETS		**2,36,812.03**	**1,29,948.86**
EQUITY AND LIABILITIES			
1 EQUITY			
Equity share capital	13	3,572.92	3,064.90
Other equity	14	1,27,736.57	57,625.46
Equity attributable to owners		**1,31,309.49**	**60,690.36**
Non controlling interest		(487.46)	66.53
Total equity		**1,30,822.03**	**60,756.89**
LIABILITIES			
2 Non-current liabilities			
a) Financial liabilities			
i) Borrowings	15(a)	11,925.97	6,976.48
ii) Lease liabilities	16(a)	696.98	269.13
b) Provisions	17 (a)	509.65	163.14
c) Deferred tax liabilities (net)	18	5,421.64	4,075.07
Total non-current liabilities		**18,554.24**	**11,483.82**
3 Current liabilities			
a) Financial liabilities			
i) Borrowings	15(b)	41,315.24	26,099.82
ii) Lease liabilities	16(b)	387.70	189.31
iii) Trade payables:-	19		
- Dues of micro enterprises and small enterprises		652.92	42.13
- Dues of creditors other than micro enterprises and small enterprises		37,548.51	27,952.37
iv) Other financial liabilities	20	2,501.13	551.44
b) Provisions	17(b)	152.89	40.82
c) Other current liabilities	21	1,804.26	776.25
d) Current tax liabilities (net)	22	3,073.11	2,056.01
Total current liabilities		**87,435.76**	**57,708.15**
TOTAL EQUITY AND LIABILITIES		**2,36,812.03**	**1,29,948.86**

Corporate information and material accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements. 4 to 55

As per our report of even date attached

for **S.T.Mohite & Co**
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056QQVHAH6926

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Place: Hyderabad
Date: 18 May 2026

Consolidated Statement of Profit and Loss

for the year ended 31 March 2026

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

	Particulars	Note No	For the year ended 31 March 2026	For the year ended 31 March 2025
I	Revenue from operations	23	90,432.38	56,206.92
II	Other income	24	627.35	288.54
III	**Total income (I+II)**		**91,059.73**	**56,495.46**
IV	**Expenses**			
	Cost of materials consumed	25	70,221.55	43,545.09
	Purchases of stock-in-trade	26	61.70	-
	Operating cost	27	81.12	-
	Changes in inventories of finished goods and work-in-progress	28	(9,544.67)	(3,870.53)
	Employee benefits expenses	29	3,718.01	2,198.58
	Depreciation and amortisation expenses	30	2,231.51	1,533.29
	Finance costs	31	4,732.37	3,421.58
	Other expenses	32	4,078.38	1,412.80
	Total expenses (IV)		**75,579.97**	**48,240.81**
V	**Profit before tax (III-IV)**		**15,479.76**	**8,254.65**
VI	Exceptional item	44	-	-
VII	**Profit before tax**		**15,479.76**	**8,254.65**
VIII	**Tax expense**			
	Current tax	33	2,908.12	1,852.37
	Tax adjustments for earlier years		90.73	53.13
	Deferred tax		1,742.87	713.37
	Total tax expense		4,741.72	2,618.87
IX	**Profit for the year (V-VI)**		**10,738.04**	**5,635.78**
	Other comprehensive income			
X	**Items that will not be reclassified to profit or loss:**			
	a) Re-measurement gains/ (losses) on defined benefit obligations		33.00	(20.10)
	b) Income-tax thereon	33	(8.90)	5.85
XI	**Total comprehensive income (VII+VIII)**		**10,762.14**	**5,621.53**
XII	**Net Profit / (loss) attributable to**			
	a) Owners of the Company		11,292.04	5,639.65
	b) Non controlling interest		(554.00)	(3.87)
XIII	**Other Comprehensive income/(loss) attributable to**			
	a) Owners of the Company		10.58	(14.25)
	b) Non controlling interest		13.53	-
XIV	**Total Comprehensive income/(loss) attributable to**			
	a) Owners of the Company		11,302.62	5,625.41
	b) Non controlling interest		(540.47)	(3.87)
XV	**Earnings per equity share ([FV ₹1 (Previous year ₹1)]**	43		
	Basic (₹)		3.35	1.86
	Diluted (₹)		3.31	1.86

Corporate information and material accounting policies 1 to 3

The accompanying notes are an integral part of the financial statements. 4 to 55

As per our report of even date attached

for **S.T.Mohite & Co**
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056QQVHAH6926

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of

Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Place: Hyderabad
Date: 18 May 2026

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
I. Cash flows from operating activities		
Profit before tax	**15,479.76**	**8,254.65**
Adjustments:		
Depreciation and amortisation	2,231.51	1,533.29
Finance income	(421.18)	(258.78)
Finance costs	4,732.37	3,421.58
Operating profit before working capital changes	**22,022.46**	**12,950.74**
Changes in working capital:		
Changes in operating assets (increase)/decrease:		
- Trade receivables	(20,329.41)	(305.78)
- Inventories	(16,348.63)	(16,707.74)
- Loans - current	1,133.47	(49.88)
- Other assets - current	(7,198.80)	(4,990.13)
Changes in operating liabilities increase/(decrease):		
- Trade payables	8,376.29	11,080.04
- Other financial liabilities - current	1,291.39	(307.19)
- Provisions	58.65	49.63
Cash generated from operations	**(10,994.58)**	**1,719.69**
Income taxes paid	(1,981.74)	(696.11)
Net cash generated from/(used in) operating activities	**(12,976.32)**	**1,023.58**
II. Cash flows from investing activities		
Purchase of PPE (including capital work in progress)	(22,762.30)	(9,221.51)
Bank deposits (having original maturity of more than three months) - net	(8,986.51)	(166.30)
Loans others	(4,198.16)	-
Other financial assets	(163.99)	-
Finance income	421.18	258.78
Net cash used in investing activities	**(35,689.78)**	**(9,129.03)**
III. Cash flows from financing activities		
Dividend Paid	(833.84)	(153.25)
Money received against share warrants (refer note (13(f))	31,163.90	3,366.23
Proceeds from issuance of equity shares capital including share premium (refer note (13(g))	28,972.93	0.49
Proceeds from issuance of non-convertible debentures	1,000.00	4,000.00
Repayment of non-convertible dedentures	(5,000.00)	-
Proceeds from borrowings	3,957.48	3,870.42
Repayment of borrowings	(12,106.12)	(1,837.64)
Proceeds from short-term loans and borrowings, net	11,321.39	6,382.31
Payment of principal portion of lease liabilities	(153.89)	(94.25)
Interest paid	(4,732.37)	(3,421.58)
Net cash provided by financing activities	**53,589.45**	**12,112.73**
Net increase in cash and cash equivalents (I+II+III)	**4,923.36**	**4,007.30**
Cash and cash equivalents at the beginning of the year	4,026.96	19.66
Cash and cash equivalents at the end of the year (refer note below)	**8,950.32**	**4,026.96**

Consolidated Statement of Cash Flows

for the year ended 31 March 2026
(All amounts in ₹ lakhs, except share data and where otherwise stated)

Note:

	For the year ended 31 March 2026	For the year ended 31 March 2025
Cash and cash equivalents comprise (refer note 9 in Balance sheet)		
Cash on hand	5.27	16.06
Balances with banks:		
- in current accounts	8,664.48	4,010.90
- Deposit accounts (with original maturity of 3 months or less)	280.57	
	8,950.32	**4,026.96**

Particulars	As at 31 March 2026	(Repayments)/ Proceeds	As at 31 March 2025
Reconciliation of liabilities from financing activities as at 31 March 2026			
Short-term borrowings	41,315.24	15,215.42	26,099.82
Total	**41,315.24**	**15,215.42**	**26,099.82**
Reconciliation of liabilities from financing activities as at 31 March 2025			
Short-term borrowings	26,099.82	6,382.31	19,717.51
Total	**26,099.82**	**6,382.31**	**19,717.51**
Reconciliation of lease liabilities as at 31 March 2026			
Lease liabilities (including interest thereon) (refer note.42)	1,084.68	626.24	458.44
Total	**1,084.68**	**626.24**	**458.44**
Reconciliation of lease liabilities as at 31 March 2025			
Lease liabilities (including interest thereon) (refer note.42)	458.44	281.82	176.63
Total	**458.44**	**281.82**	**176.63**

Note

1. The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS-7 " Statement of Cash Flows.
2. The proceeds from the issue of shares/warrants have been utilized as approved by the members.

Corporate information and material accounting policies 1 to 3
The accompanying notes are an integral part of the financial statements. 4 to 55

As per our report of even date attached
for **S.T.Mohite & Co**
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056QQVHAH6926

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Place: Hyderabad
Date: 18 May 2026

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026
(All amounts in ₹ lakhs, except share data and where otherwise stated)

a. Equity Share Capital

	No. of shares	Amount
Balance as at 1 April 2024 (₹.1 each fully paid)	**28,23,58,860**	**2,823.59**
Changes in equity share capital	2,41,30,700	241.31
Balance as at 31 March 2025	**30,64,89,560**	**3,064.90**
Issue of equity share capital	5,08,02,880	508.02
Balance as at 31 March 2026 (₹.1 each fully paid)	**35,72,92,440**	**3,572.92**

b. Other equity

Particulars	Reserves & Surplus		Other comprehensive income	Money received against share warrants (refer note no.13)	Other Equity attributable to owners of the Company	Non-Controlling Interest
	Securities premium	Retained earnings				
As at 1 April, 2024	**29,688.29**	**18,163.78**	**54.26**	**1,122.08**	**49,028.40**	**69.91**
Profit for the year	-	5,639.63	-	-	5,639.63	(3.87)
Other comprehensive income	-	-	(14.25)	-	(14.25)	-
Additions during the year	4,247.00	-	-	3,366.23	7,613.24	0.49
Adjustment against share warrants	-	-	-	(4,488.31)	(4,488.31)	-
Dividend Paid	-	(153.25)	-		(153.25)	-
Balance as of 31 March 2025	**33,935.29**	**23,650.16**	**40.01**	**-**	**57,625.46**	**66.53**
As at 1 April, 2025	**33,935.29**	**23,650.16**	**40.01**	**-**	**57,625.46**	**66.53**
Profit for the year	-	11,292.04	-	-	11,292.04	(554.00)
Other comprehensive income	-	-	24.11	-	24.11	-
Additions during the year	57,407.25	-	-	31,163.90	88,571.15	-
Adjustment against share warrants		-	-	(27,086.38)	(27,086.38)	-
Shares issue expenses	(1,855.97)	-	-	-	(1,855.97)	
Dividend paid	-	(833.84)	-	-	(833.84)	-
Balance as of 31 March 2026	**89,486.57**	**34,108.36**	**64.12**	**4,077.52**	**1,27,736.57**	**(487.47)**

Note: 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.

Corporate information and material accounting policies 1 to 3
The accompanying notes are an integral part of the financial statements. 4 to 55

As per our report of even date attached
for **S.T.Mohite & Co**
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056QQVHAH6926

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Place: Hyderabad
Date: 18 May 2026

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Notes Forming Part of the Consolidated Financial Statements

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

1. Corporate information

The consolidated financial statements (CFS) comprise financial statements of Apollo Micro Systems Limited (the Holding Company) and its subsidiaries (collectively, the Group) for the year ended 31 March 2026.

The Holding 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 Group 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 consolidated 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 consolidated financial statements have been prepared on a going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated 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 consolidated financial statements for the year ended 31 March 2026 were approved by the Board of Directors and authorised for issue on 18 May 2026.

2.2 Consolidation procedure

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

b) Offset (eliminate) the carrying amount of the holding Company's investment in each subsidiary and the holding Company's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a) Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

Notes Forming Part of the Consolidated Financial Statements

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

b) Derecognises the carrying amount of any non-controlling interests;

c) Derecognises the cumulative translation differences recorded in equity;

d) Recognises the fair value of the consideration received;

e) Recognises the fair value of any investment retained;

f) Recognises any surplus or deficit in profit or loss;

g) Recognise that distribution of shares of subsidiary to Group in Group's capacity as owners;

h) Reclassifies the holding Company's share of components previously recognised in OCI to profit or loss or transferred directly to retained earnings, if required by other Ind ASs as would be required if the Group had directly disposed of the related assets or liabilities.

Following are the subsidiary companies as at 31 March 2026 and the same are consolidated for the purpose of this Consolidated Financial Statements.

Name of the Company	Nature	Country of incorporation	% of Holding as on 31 March 2026	% of Holding as on 31 March 2025
Ananya SIP RF Technologies Private Limited	Subsidiary	India	51.00%	51.00%
Apollo Defence Industries Private Limited	Subsidiary	India	76.00%	76.00%
Apollo Strategic Technologies Private Limited	Step-down subsidiary	India	51.00%	51.00%
IDL Explosives Limited	Step-down subsidiary	India	100.00%	-

2.3 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.

2.4 Functional and presentation currency

These consolidated financial statements are presented in Indian rupees, which is the functional currency of the Group. All financial information presented, except information related to share and per share data, in Indian rupees has been rounded off two decimal places to the nearest lakhs unless otherwise stated.

2.5 Use of estimates and critical accounting 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 Forming Part of the Consolidated Financial Statements

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

- 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

2.6 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

2.7 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;

Notes Forming Part of the Consolidated Financial Statements

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

- 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;
- 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

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 contact; 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.

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:

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(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.

Revenue is exclusive of amounts collected on behalf of third parties.

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) Rental Income from Investment property:

Rental income is accounted as per rental agreements executed for relevant property

(iii) Government Grants:

Government grants which are revenue in nature and are towards compensation for the qualifying cost incurred by the Company, are recognized as other income without deducting from cost of asset. To compensate additional depreciation government grants is recognized in profit and loss account on a systematic basis over the expected useful life of the related asset.

(iv) Dividend income:

Dividend income is accounted in the period in which the right to receive the same is established.

(v) Export Incentives:

One of the products of the Company being exported is entitled for export incentives as per the schemes of Director General of Foreign Trade. The export incentives are accounted based on approval and reliability from Director General of Foreign Trade

(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.

(C) Exceptional items:

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of

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the Company is treated as an exceptional item and disclosed as such in the financial statements.

3.2 Foreign currency transactions and translations :

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 consolidated financial statements are recognised in the consolidated 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.

3.3 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".

Classification and Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

* Debt instruments at amortised cost

* Equity instruments

Financial assets at amortised cost (Debt instruments)

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.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

Financial assets are classified at FVTOCI when they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, and the SPPI test is met.

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Subsequent to initial recognition, these financial assets are measured at fair value, with changes in fair value recognised in other comprehensive income (OCI). Upon derecognition, the cumulative gain or loss recognised in OCI is reclassified to profit or loss.

Financial Assets Measured at Fair Value through Other Comprehensive Income (FVTOCI) – Equity Instruments

For equity investments not held for trading, the Company may make an irrevocable election at initial recognition to present changes in fair value in OCI. This election is made on an instrument-by-instrument basis.

Subsequent changes in fair value are recognised in OCI. Unlike debt instruments, there is no recycling of cumulative gains or losses to profit or loss on derecognition. Dividends from such investments are recognised in profit or loss when the right to receive payment is established, provided they represent a return on investment and not a recovery of cost.

Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets are classified as FVTPL if they:

(a) Do not meet the criteria for amortised cost or FVTOCI; or

(b) Are designated at FVTPL at initial recognition to eliminate an accounting mismatch.

Subsequent changes in fair value are recognised in profit or loss.

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except when the Company changes its business model for managing the assets. Any such reclassification is applied prospectively from the reclassification date; prior periods are not restated

SPPI Test

The SPPI test is performed at the instrument level to determine whether the contractual cash flows represent solely payments of principal and interest. For this purpose, "interest" is defined as consideration for the time value of money, credit risk, and other basic lending risks and costs, along with a profit margin.

Business Model Assessment

The Company's business model refers to how financial assets are managed to generate cash flows—whether through collecting contractual cash flows, selling financial assets, or both. This assessment is determined at a portfolio level and reflects how groups of financial assets are collectively managed to achieve a specific business objective.

Investments in subsidiaries and associates and Join Ventures:

In the consolidated financial statements, investments in subsidiaries and associates are carried at cost, less any accumulated impairment losses.

These investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indications exist, the investments are tested for impairment in accordance with Ind AS 36 – Impairment of Assets. Any impairment loss is recognised in the Statement of Profit and Loss.

Upon disposal of an investment, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in the Statement of Profit and Loss.

Business combination under common control:

Business combinations involving entities or businesses under common control are accounted for using the

pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

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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.

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 over drafts.

Classification and 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

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the consolidated 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 Amortised Cost

This category includes interest-bearing loans and borrowings that are subsequently measured using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss upon derecognition or through the amortisation process. Amortised cost is calculated by considering any premium or discount on acquisition and fees or costs that are an integral part of the EIR. The amortisation is recognised under 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 consolidated 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.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.4 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 consolidated statement of cash flows.

3.5 Other bank balances:

Which also include balances and deposits with banks that are restricted for withdrawal and usage.

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 are 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.

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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.

Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital advances under "Other non-current Assets".

Subsequent expenditure:

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably. All other repairs and maintenance are charged to profit or loss as incurred. If a component accounted for separately is replaced, the carrying amount of the replaced component is derecognised.

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
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 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.

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.

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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

3.8 Capital Work in Progress (CWIP) and Capital advances

Capital Work-in-Progress includes tangible assets that are under construction or development and are not yet ready for their intended use at the balance sheet date. These include expenditure incurred on assets that are in the course of construction, installation, testing, or commissioning. CWIP is carried at cost, which comprises:

- directly attributable acquisition and construction costs,
- borrowing costs eligible for capitalisation under Ind AS 23, and
- other expenses directly attributable to bringing the asset to its intended use.

No depreciation is charged on such assets until they are available for use. Once the asset is ready for its intended use, the accumulated cost is transferred to the appropriate category of property, plant and equipment and depreciation commences from the date the asset is available for use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date is disclosed as capital advances under other noncurrent assets.

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.

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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 (the "cash-generating unit").An impairment loss is recognised in the consolidated 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 Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. The recoverable amount of the CGU is higher of fair value less costs to sell and value in use.

The financial projections basis which the future cash flows are estimated consider economic uncertainties, assessment of discount rates, revisiting the growth rates factored while arriving at terminal value and subjecting these variables to sensitivity analysis. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

3.12 Employee benefits

(a) 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 other comprehensive 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.

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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) Termination benefits

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(b) Other long-term employee benefits

The Company's net obligation in respect of other long term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and previous periods. That benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

(c) 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 at the reporting date carried out by a qualified actuary. The resultant expenses are recognized in the consolidated statement of Profit and Loss.

(d) Share-based payment

The stock options granted to employees in terms of the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date. The fair value of the options is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to the general reserve within equity.

The fair value of the stock options granted to employees of the Company by the Company's

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subsidiaries is accounted as employee compensation cost over the vesting period and where such fair value is not recovered by the subsidiaries, the same is treated as dividend declared by them. The share- based payment equivalent to the fair value as on the date of grant of employee stock options granted to key managerial personnel is disclosed as a related party transaction in the year of grant.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.13 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) The Company as lessee:

The Company accounts for each lease component within the contract separately from non-lease components and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate standalone price of the non-lease components.

(i) Right-of-use asset (ROU)

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.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease,

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if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the remeasurement in the statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

Payment made towards leases for which non-cancellable term is 12 months or lesser (short-term leases) and low value leases are recognised in the statement of Profit and Loss as rental expenses over the tenure of such leases.

(ii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of buildings, machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) The Company as lessor

(i) Operating lease – Rental income from operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

(ii) Finance lease – When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return. Such rate is the interest rate which is implicit in the lease contract.

3.14 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 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

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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.

Minimum Alternate Tax (MAT) Credit

Minimum alternate tax (MAT) credit is recognised in accordance with tax laws in India as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the MAT credit at each balance sheet date and writes down the

carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period

3.15 Contingent liabilities and 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

3.16 Government grants

Recognition and measurement:

Grants and Subsidies received from the Governments are recognised only when there is reasonable assurance that:

(a) The Company will comply with the conditions attached to the grant.

(b) There is a reasonable certainty that the grant will be received

Government grants which are revenue in nature and are towards compensation for the qualifying cost incurred by the Company, are recognized as other income without deducting from cost of asset. To compensate additional depreciation government grants is recognized in profit and loss account on a systematic basis over the expected useful life of the related asset.

When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a

Notes Forming Part of the Consolidated Financial Statements

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government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the fair value of the loan and the proceeds received. It is recognized as deferred income and released to statement of Profit & Loss in proportionate over the loan tenure and presented within other income. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.17 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.

3.18 Statement of Cash flow :

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payment and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.19 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are recognised initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses if any.

Depreciation on buildings is calculated using straight line method to allocate their cost, net of residual values, over their estimated useful lives, depreciation is provided on useful life of assets as prescribed in schedule II to the Companies Act, 2013.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised

3.20 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.

3.21 Borrowing Costs

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.

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

3.22 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.

3.23 Cash dividend to equity holders

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in other equity.

3.24 Changes in Material Accounting policies:

The Company has adopted Classification of Liabilities as Current or Non-current (Amendments to Ind AS 1) and non-current Liabilities with Covenants (Amendments to Ind AS 1) from 1 April 2025. These amendments apply retrospectively and clarify the criteria for determining whether a liability should be classified as current or non-current. They also introduce new disclosure requirements for non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

3.25 New Accounting 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. for the year ended 31 March 2026, The Company applied following amendments for the first-time during the current year which are effective from 1 April 2024:

a) Ind AS 1 - Presentation of These Financial statements:

For accounting periods beginning on or after 1 April 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the These Financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, ounting Estimates and Errors.

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(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	Office equipment	Furniture & fixtures	Vehicles	Total
Cost										
As at 1 April 2024	**1,243.71**	**1,479.73**	**374.62**	**16,050.20**	**60.21**	**134.77**	**44.53**	**154.03**	**528.50**	**20,070.29**
Additions	1,069.55	10.47	229.94	3,101.31	-	6.38	11.40	6.09	58.70	4,493.84
Deletions										-
As at 31 March 2025	**2,313.26**	**1,490.20**	**604.56**	**19,151.51**	**60.21**	**141.15**	**55.93**	**160.12**	**587.20**	**24,564.14**
As at 1 April 2025	**2,313.26**	**1,490.20**	**604.56**	**19,151.51**	**60.21**	**141.15**	**55.93**	**160.12**	**587.20**	**24,564.14**
Additions	2,832.12	489.28	3.91	7,731.33	-	49.55	17.16	18.55	104.66	11,246.57
Additions on account of Acquisition through Business Combinations.	500.65	1,801.57	6,121.88	-	-	35.22	108.05	81.15	121.71	8,770.22
Deletions	34.50									34.50
As at 31 March 2026	**5,611.53**	**3,781.05**	**6,730.35**	**26,882.84**	**60.21**	**225.92**	**181.14**	**259.81**	**813.57**	**44,546.43**
Accumulated depreciation										
As at 1 April 2024	**-**	**648.40**	**253.29**	**4,652.60**	**55.33**	**88.69**	**25.49**	**101.73**	**174.33**	**5,999.84**
Charge for the year	-	33.44	18.34	1,188.48	1.87	22.72	6.37	7.70	58.24	1,337.16
Adjustments										-
As at 31 March 2025	**-**	**681.84**	**271.63**	**5,841.08**	**57.20**	**111.41**	**31.86**	**109.43**	**232.57**	**7,337.01**
As at 1 April 2025	**-**	**681.84**	**271.63**	**5,841.08**	**57.20**	**111.41**	**31.86**	**109.43**	**232.57**	**7,337.01**
On account of business combination	-	459.98	3,203.93	-	-	21.07	49.75	36.07	91.49	3,862.29
Charge for the year	-	76.45	172.79	1,455.31	-	28.73	14.59	9.49	63.88	1,821.24
Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31 March 2026	**-**	**1,218.27**	**3,648.35**	**7,296.39**	**57.20**	**161.21**	**96.20**	**154.99**	**387.94**	**13,020.54**
Net carrying amount										
As at 31 March 2025	**2,313.26**	**808.36**	**332.93**	**13,310.43**	**3.01**	**29.74**	**24.07**	**50.69**	**354.63**	**17,227.13**
As at 31 March 2026	**5,611.53**	**2,562.78**	**3,082.00**	**19,586.45**	**3.01**	**64.71**	**84.94**	**104.83**	**425.63**	**31,525.89**

Notes

(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.except for:

(a) Land allotted by TSIIC, for which the title deed/registration is yet to be executed in the name of the Company as per the terms of allotment.

(b) A flat purchased from Ambience Projects and Infrastructure Pvt. Ltd, for which possession has been received by the Company as of the reporting date; however, the registration of the property is pending.

Accordingly, the title deeds of the above properties are not held in the name of the Company as at the reporting date.

Notes Forming Part of the Consolidated Financial Statements

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

(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.3.6

(iii) All Properties Plant and Equipments are under charge created by the company for the loans availed from banks and Non-Banking Financial Companies.

(iv) Property Plant and equipment were tested for impairment by the technical executives with in company during the year for any indications of existing impairment. As per their advice for no impairment, the company has not recorded any impairment during the year ending 31 March 2026.

(v) The Group has not revalued its Property, Plant and Equipment (including Right-of Use Assets) and intangible assets

4(b) Capital work in progress

Particulars	Testing tools and instruments	Civil work in progress	Total
Cost			
As at 1 April 2024	**2,300.99**	**1,182.70**	**3,483.69**
Additions	3,352.30	3,444.56	6,796.86
Deletions	3,052.31	-	3,052.31
As at 31 March 2025	**2,600.98**	**4,627.26**	**7,228.24**
As at 1 April 2025	**2,600.98**	**4,627.26**	**7,228.24**
Additions	7,253.39	9,792.22	17,045.61
Additions on account of Acquisition through Business Combinations.	-	2,868.43	2,868.43
Deletions	7,512.88	-	7,512.88
As at 31 March 2026	**2,341.49**	**17,287.91**	**19,629.40**
Accumulated depreciation			
As at 1 April 2024	**-**	**-**	**-**
Charge for the year		-	-
Adjustments			-
As at 31 March 2025	**-**	**-**	**-**
As at 1 April 2025	**-**	**-**	**-**
Charge for the year	-		-
Adjustments			-
As at 31 March 2026	**-**	**-**	**-**
Net carrying amount			
As at 31 March 2025	**2,600.98**	**4,627.26**	**7,228.24**
As at 31 March 2026	**2,341.49**	**17,287.91**	**19,629.40**

Refer table below for CWIP ageing.

Notes Forming Part of the Consolidated Financial Statements

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

Capital Work in Progress (CWIP) ageing schedule

1 Ageing details for Capital Work in Progress as on 31 March 2026

Particulars	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Projects in progress	2,341.49	-	-	-	2,341.49
Civil work in progress	12,660.65	3,444.56	508.22	674.48	17,287.91
Projects temporarily suspended	-	-	-	-	-

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	2,600.98	-	-	-	2,600.98
Civil work in progress	3,444.56	508.22	165.22	509.26	4,627.26
Projects temporarily suspended	-	-	-	-	-

2 There are no projects as capital work in progress, as at 31 March 2026 and 31 March 2025 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

3 As of 31 March 2026 and 31 March 2025, the Group was committed to spend ₹ 2,130.91 lakhs and ₹ 561,55 lakhs respectively, under agreements to purchase property, plant and equipment. This amount is net of capital advances paid in respect of such purchase commitments.

4 During the years ended 31 March 2026 and 31 March 2025, the group capitalised interest cost of ₹ 1,158.96 lakhs and ₹433.44, respectively, with respect to qualifying assets. The average rate for capitalisation of interest cost for the years ended 31 March 2026 and 31 March 2025 was approximately 7.38% and 10.18% respectively

4(c) Right-of-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	Land	Buildings	Plant and equipment	Computers	Total
Cost					
As at 1 April 2024	**-**	**-**	**232.16**	**-**	**232.16**
Additions	-	-	365.92	27.22	393.14
Deletions	-	-	-	-	-
As at 31 March 2025	**-**	**-**	**598.08**	**27.22**	**625.30**
As at 1 April 2025	**-**	**-**	**598.08**	**27.22**	**625.30**
Additions	-	44.29	843.74	-	888.03
Additions on account of Acquisition through Business Combinations.	5.59	-	-	-	5.59
Deletions	-	-	-	-	-
As at 31 March 2026	**5.59**	**44.29**	**1,441.82**	**27.22**	**1,518.92**

Notes Forming Part of the Consolidated Financial Statements

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

Particulars	Land	Buildings	Plant and equipment	Computers	Total
Accumulated depreciation					
As at 1 April 2024	**-**	**-**	**54.22**	**-**	**54.22**
Charge for the year	-	-	102.56	6.80	109.36
Adjustments	-		-		-
As at 31 March 2025	**-**	**-**	**156.78**	**6.80**	**163.58**
As at 1 April 2025	**-**	**-**	**156.78**	**6.80**	**163.58**
Charge for the year	0.11	14.76	217.42	9.07	241.37
Adjustments	-	-	-	-	-
As at 31 March 2026	**0.11**	**14.76**	**374.20**	**15.87**	**404.95**
Net carrying amount					
As at 31 March 2025	**-**	**-**	**441.30**	**20.42**	**461.72**
As at 31 March 2026	**5.48**	**29.53**	**1,067.62**	**11.35**	**1,113.97**

The following are the amounts recognised in the statement of profit and loss:

	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation expense of right-of-use assets	241.37	109.36
Interest expense on lease liabilities	97.11	33.41
Expenses related to short term leases	41.39	18.29
Total	**379.86**	161.06

The Company had total cash outflows for leases (excluding short term leases) of ₹251.00 lakhs and ₹127.67 lakhs during the year ended 31 March 2026 and 31 March 2025 respectively. The maturity analysis of lease liabilities is disclosed in note 42 of these financial statements.

4(d) Other intangible assets

Particulars	Softwares Amount ₹
Cost	
As at 1 April 2024	**216.81**
Additions	402.69
Deletions	-
As at 31 March 2025	**619.50**
As at 1 April 2025	**619.50**
Additions	226.02
Additions on account of Acquisition through Business Combinations.	48.91
Deletions	-
As at 31 March 2026	**894.43**

Notes Forming Part of the Consolidated Financial Statements

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

Particulars	Softwares Amount ₹
Accumulated Ammortization	
As at 1 April 2024	**33.71**
Charge for the year	86.76
Adjustments	-
As at 31 March 2025	**120.47**
As at 1 April 2025	**120.47**
on account oBusiness Combinations.	24.49
Charge for the year	168.90
Adjustments	-
As at 31 March 2026	**313.86**
Net carrying amount	
As at 31 March 2025	**499.02**
As at 31 March 2026	**580.57**

5 Goodwill

Particulars	As at 31 March 2026	As at 31 March 2025
Gross carrying value		
Opening balance	1.89	1.89
Goodwill arising on business combinations (for detailed information refer note 47)	14,517.66	-
Disposals	-	-
Closing balance	**14,519.55**	**1.89**
Accumulated amortisation		
Opening balance	-	-
Impairment loss	-	-
Closing balance	-	-
Net carrying value	**14,519.55**	**1.89**

During the FY 2020-21, the holding Company has acquired 51% of control through purchase of equity shares of Ananya SIP RF Techonologies Private Limited. The Group has accounted for business combination based on fair value of the identified assets, liabilities and contingent liabilities as on date of acquisition and recognised goodwill of ₹.1.89 lakhs

6 Non-current assets

Particulars	As at 31 March 2026	As at 31 March 2025
a) Other non-current assets		
Capital advances	1,682.57	830.87
Advances other than capital advances		
- Security deposits	1,170.42	771.61
- Bank deposits due to mature after 12 months of the reporting date	23.52	-
- Interest on bank deposits due to mature after 12 months of the reporting date	2.96	-
- Prepayments-Capital	24.73	-
- Balances with government authorities	26.56	-
	2,930.76	**1,602.48**

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

Current assets

7 Inventories

	As at 31 March 2026	As at 31 March 2025
Raw material	42,930.08	33,684.05
Work in progress	35,780.94	26,356.93
Finished goods	574.96	22.63
Stores and Spares	126.32	-
Packing Material	116.50	-
Stock in trade	0.12	-
	79,528.92	**60,063.61**
- Carrying amount of inventories pledged as security for borrowings	59,646.69	45,047.71
- The write-down of inventories to net realisable value during the year amounted to	Nil	Nil

8 Trade receivables

	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good	48,826.06	23,843.26
Less: Allowance for expected credit loss	(732.60)	(10.31)
	48,093.46	**23,832.95**

The average credit period on sales of goods 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:

Ageing	Expected credit loss (%)
With credit period	0.00%
91-180 days past due	3.61%
More than 180 days past due	8.25%

Age of receivables	As at 31 March 2026	As at 31 March 2025
With credit period	35,296.11	11,319.04
91-180 days past due	6,966.42	7,131.92
More than 180 days past due	5,830.92	5,381.99
Total	**48,093.46**	**23,832.95**

Notes Forming Part of the Consolidated Financial Statements

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

Movement in the expected credit loss allowance

Particulars	31 March 2026	31 March 2025
Balance at beginning of the year	(10.31)	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(722.29)	(10.31)
Balance at end of the year	(732.60)	(10.31)

Notes:

(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 genially on term of respective contracts.

Trade receivable ageing

As at 31 March 2026

Particulars	Not due	< 6 month	6 month-1 Year	1-2 Years	2-3 Years	> 3year	Total
(i) Undisputed trade receivables							
- considered good	35,296.11	6,966.42	644.47	2,534.40	55.36	2,596.70	48,093.46
- considered doubtful							
(ii) Disputed trade receivables							
- considered good	-	-	-	-	-	-	-
- considered doubtful	-	-	-	-	-	-	-
Total	**35,296.11**	**6,966.42**	**644.47**	**2,534.40**	**55.36**	**2,596.70**	**48,093.46**

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	-	-	-	-	-	-	-
Total	**11,319.04**	**7,131.92**	**2,455.18**	**174.42**	**22.75**	**2,729.64**	**23,832.95**

9 Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks:		
- in current accounts	8,664.48	4,010.90
Cash on hand	5.27	16.06
Deposit accounts (with original maturity of 3 months or less)	280.57	-
	8,950.32	**4,026.96**

Notes Forming Part of the Consolidated Financial Statements

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

10 Other bank balances

Particulars	As at 31 March 2026	As at 31 March 2025
Term deposits with Banks (original maturities of more than 3 months and less than 1 year)*	6,656.84	2,218.89
Earmarked balances with banks:		
Unpaid dividend account	4.27	2.00
	6,661.11	**2,220.89**

*Note: The above balances represents margin money deposits maintained against bank guarantees and letters of credit and it includes ₹2,500.00 lakhs out of the unutilized proceeds received from share warrants. These balances are subject to restrictions on withdrawal and are therefore classified as restricted balances.

11 Loans

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good unless otherwise stated		
Demand loan to others	639.48	807.30
Less: Expected credit loss	(96.69)	(37.99)
	542.79	**769.31**

12 Other current assets

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured, considered good		
Other advances		
Security deposits	107.44	-
Other advances:		
- For materials	16,985.54	9,543.92
- Less: expected credit loss	(69.17)	(3.78)
	16,916.37	**9,540.14**
- For expenses	678.37	51.00
- Employee advances	101.21	54.87
- Others	92.79	39.65
Receivable from statutory authorities	4,381.39	2,088.37
Prepaid expenses	457.71	240.63
	22,735.28	**12,014.66**

Notes Forming Part of the Consolidated Financial Statements

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

13 Share capital

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised		
45,00,00,000 (March 31, 2025: 45,00,00,000) equity shares of ₹.1 each	4,500.00	4,500.00
Issued, subscribed and fully paid-up		
35,72,92,440 (March 31, 2025: 30,64,89,560) equity shares of ₹.1 each fully paid-up	3,572.92	3,064.90
Total	**3,572.92**	**3,064.90**

(a) Reconciliation of shares outstanding at the beginning and end of the reporting year

Particulars	31 March 2026		31 March 2025	
	No. of equity shares (Face Value ₹ 1/-)	Amount	No. of equity shares (Face Value ₹ 1/-)	Amount
Outstanding at the Beginning of the year	30,64,89,560	3,064.90	28,23,58,860	2,823.59
Add:				
i) Issued during the year	2,70,42,894	270.43	-	-
ii) Conversion of warrants	2,37,59,986	237.60	2,41,30,700	241.31
At the end of the year	35,72,92,440	3,572.92	30,64,89,560	3,064.90

(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	31 March 2026		31 March 2025	
	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	47.28%	16,89,22,900	55.12%

d) Details of Shares held by promoters

Name	As at 31 March 2026				
	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	16,89,22,900	-	16,89,22,900	47.28%	(14.22)
Srilakshmi Reddy Vangeti	100	-	100	0.00%	-
Baddam Chanakya Reddy	-	84,00,600	84,00,600	2.35%	-
Baddam Kanishka Reddy	-	84,00,600	84,00,600	2.35%	-
Total	**16,89,23,000**		**18,57,24,200**		

Notes Forming Part of the Consolidated Financial Statements

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

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%	-
Total	**15,02,57,000**		**16,89,23,000**		

e) Dividend declared and paid

Particulars	31 March 2026	As at 31 March 2025
During the FY 2025-26: Company declarred a final dividend of ₹.0.25 per share, approved by its shareholders in Annual General Meeting held on 16 Septemeber 2025 for the year ended 31.03.2025 and dividend also paid during the year.	(833.84)	
During the FY 2024-25: Company declarred a final dividend of ₹.0.05 per share, approved by its shareholders in Annual General Meeting held on 27 Septemeber 2024 for the year ended 31.03.2024 and dividend also paid during the year.		(153.25)

f) The company has issued 3,80,67,058 warrants in FY 2025-26 which are fully convertible in to equal number of equity shares, During the year, 2,37,59,986 warrants were converted into an equal number of equity shares, while the remaining 1,43,07,072 warrants remained outstanding for conversion as on 31 March 2026.

Particulars	No of warrant	Amount
During the year number of warrants converted in to equal number of equity shares at ₹1 each at premium of ₹ 113 per share	2,37,59,986	27,086.38
Amount received agaisnt outstanding convertible warrants	1,43,07,072	4,077.52
Total amount received during the year	**3,80,67,058**	**31,163.90**

g) Equity shares issued during the year:

(i) The Company has issued 2,70,42,894 equity shares of ₹1 each, at a premium of ₹.113 on preferential basis during the financials year 2025-26.

(ii) The Company has issued 2,37,59,986 equity shares of ₹1 each upon conversion of equal number of warrants, at a premium of ₹.113 by way of preferential allotment during the financials year 2025-26.

Accordingly, the Company received securities premium amounting to ₹57,407.25 lakhs from the above issue and conversion of equity shares.

Particulars	Equity shares	Amount
During the year issue of equity shares at ₹1 each at premium of ₹ 113.	2,70,42,894	30,828.90
Partial shares issue expenses	-	(1,855.97)
	2,70,42,894	**28,972.93**

Notes Forming Part of the Consolidated Financial Statements

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

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.

i) The issue of warrants, resulting in the conversion of part thereof into share capital on various occasions during the year, was carried out in compliance with the SEBI (ICDR) Regulations and with the approval of SEBI.

j) Share issue expenses comprise Statutory/regulatory fee, brokerage and other incidental expenses incurred in connection with the issue of equity shares and convertible warrants during the financial year.

14 Other equity

Particulars	As at 31 March 2026	As at 31 March 2025
Securities premium		
Balance as at the beginning of the year	33,935.29	29,688.29
Add: Premium on fresh issue	57,407.25	4,247.00
Less; Share issue expenses	(1,855.97)	-
Balance at the end of the year	**89,486.57**	**33,935.29**
Retained earnings		
Balance as at the beginning of the year	23,650.16	18,163.78
Add: Profit for the year	11,292.04	5,639.63
Less: Dividend paid during the year	(833.84)	(153.25)
Balance at the end of the year	**34,108.36**	**23,650.16**
Other comprehensive income		
Balance as at the beginning of the year	40.01	54.26
Profit/(loss) for the year	24.11	(14.25)
Balance at the end of the year	**64.12**	**40.01**
Money received against share warrants		
Balance as at the beginning of the year	-	1,122.08
Add: money received against warrants issued during the year	31,163.90	3,366.23
Less: warrants converted in to equity	(27,086.38)	(4,488.31)
Balance at the end of the year	**4,077.52**	**-**
	1,27,736.57	**57,625.46**

a) Securities premium consists of the difference between the face value of the equity shares and the consideration received in respect of shares issued.

b) Retained earnings represent prior years undistributed earnings after taxes.

c) 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.

d) Money received against share warrants represents the amounts received by the Company for issuance of share warrants.

Notes Forming Part of the Consolidated Financial Statements

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

15 Borrowings

(a) Non-current Borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Secured:		
From Banks (refer note (i) below)		
Vehicle loans	142.48	127.41
Term loans	10,616.82	3,377.73
From others (refer note (ii) below)		
Others	1,166.67	294.60
Inter corporate loans	-	21.39
Unlisted, fully paid redeemable non-convertible Debentures		
RevX Capital Fund-II	-	3,155.35
	11,925.97	**6,976.48**

Notes:

(i) Vehicle Loans: #

Lender	Interest rate p.a	Tenure	Outstanding as at 31 March 2026	Outstanding as at 31 March 2025
HDFC Bank Limited	7.63% to 9.80%	36-60 instalments	130.12	112.50
Indian Overseas Bank	9.05%	84 instalments	12.36	14.91
Term loans:$				
State Bank of India	10.00%	27 Quarterly instalments from 28.02.2026	6,638.35	2,969.82
Bandhan Bank	10.00%	60 instalments	3,720.00	-
Indian Overseas Bank (loan taken for R &D expenditure)	13.10%	36 instalments	15.65	157.49
Indian Overseas Bank (loan taken for Building)	10.25%	108 instalments	242.82	250.41

(ii) Inter corporate loans:

Lender	Interest rate p.a	Tenure	Outstanding as at 31 March 2026	Outstanding as at 31 March 2025
BMW India Financial Services Pvt Ltd	9.25%	48 instalments	-	21.39

From Others

Lender	Interest rate p.a	Tenure	Outstanding as at 31 March 2026	Outstanding as at 31 March 2025
Bajaj Finance Limited	9.85% to 9.55%	36 instalments	1,166.67	294.60

Notes Forming Part of the Consolidated Financial Statements

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

Note: Details of Non-Convertible Debentures outstanding:

Lender	Coupon Rate of Interest p.a	Date of repayment	Outstanding as at 31 March 2026	Outstanding as at 31 March 2025
15% Non-Convertible Debentures (₹ 3155.35 as at March 31 2025) issued to RevX Capital Fund-II, at face Value ₹ 4000 lakhs and Re-payable monthly basis	15.00%	Date of issue 29-03-2025 31-March-2028 (36 months from the date of issue)	-	3,155.35
Of the above Non-Convertible debentures `Nil (31.03.2025: ₹ 715.01 lakhs) is repayable within one year and the same has been included in 'Current Maturities of Long Term Borrowings.				

(a) The above loans is secured by hypothecation of the vehicles for which the loan was taken.

$ (b) The above term loans, repayable as per the respective agreements, are secured by hypothecation of the specific assets created out of the loans financed by banks/NBFCs Viz. State Bank of India (SBI), HDFC Bank, Bandhan Bank, Indian Overseas Bank, Non-Banking Financial Companies (NBFCs) and other inter-corporate loans. The loans are also secured by way of equitable mortgage of the specific properties of the Company, its promoters and third parties.

(c) The above referred loans are further secured by the personal guarantees of the two Directors and others in their individual capacities.

(d) Term Loans of Bandhan Bank and Bajaj Finance Limited are also secured by 2nd charge over all the fixed assets of the company.

(e) The above loans is secured by hypothecation of the vehicle/machinery for which the loan was taken.

(f) There is no default as at 31 March 2026 and 31 March 2025, in repayment of loans and interest payments.

Reconciliation of liabilities arising from financing activities

non-current borrowings

Particulars	For the year ended	
	31 March 2026	31 March 2025
Opening balance at the beginning of the year	6,976.48	943.70
On account of business combination	17,098.13	-
Borrowings during the year	4,957.48	7,870.42
Borrowings repaid during the year	(17,106.12)	(1,837.64)
Closing balance at the end of the year	**11,925.97**	**6,976.48**

Notes Forming Part of the Consolidated Financial Statements

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

(b) Current borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Secured,		
From Banks (Repayable on demand or over draft from)		
- Bank of India	-	100.53
- State Bank of India	12,284.88	9,255.19
- HDFC Bank Ltd	14,534.05	12,100.84
- Bandhan Bank Ltd	2,991.76	-
- RBL Bank Ltd	676.38	-
- Yes Bank Ltd	0.02	-
- IDBI Bank Ltd	209.51	
- Buyers Credit / Accepted Creditors		-
- Yes Bank Ltd	1,385.04	-
- RBL Bank Ltd	2,410.31	-
From other		
- Inter corporate Loans	2,400.00	2,400.00
- National Small Industries Corporation	0.49	469.66
- Current maturities of long-term debts	4,386.59	1,737.39
Unsecured :		
(i) From Related Parties		
- Loan from Director	36.21	36.21
Total current borrowings	**41,315.24**	**26,099.82**

Notes: Loans repayable on demand:

Name of the Bank	Rate of interest	Nature
State Bank of India	9.90%	Overdraft
HDFC Bank	9.75%	Overdraft
Bandhan Bank	9.75%	Overdraft
RBL Bank	9.00%	Overdraft
IDBI Bank	9.95%	Overdraft
National Small Industries Corporation	9.00%	Raw material assistance
Bajaj Finance Ltd	9.75%	Overdraft

i) The above loans including Letter of Credit and Bank Guarantees repayable on demand and Secured by hypothecation of inventories, and book debts and all other current assets ranking pari passu with loans from SBI, HDFC Bank, Yes Bank, RBL Bank, IDBI Bank and Non-Banking Financial Companies (NBFCs). The loans are also secured by way of equitable mortgage of the specific properties of the Company, promoters and third parties separately for each lender.

(ii) The above referred loans are further secured by the personal guarantees of the two Directors and others in their individual capacities.

(iii) State Bank of India, Bandhan Bank and Bajaj Finance Limited Working capital limits are also secured by Lien over Fixed deposits of the company.

Notes Forming Part of the Consolidated Financial Statements

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

(iv) There is no default as at 31 March 2026 and 31 March 2025, in repayment of loans and interest payments.

(v) The funds raised from borrowings are utilised for the purpose for which they were borrowed.

Reconciliation of liabilities arising from financing activities

Current borrowings

Particulars	For the year ended	
	31 March, 2026	31 March, 2025
Opening balance at the beginning of the year	26,099.82	19,717.51
On account of business combination	3,894.03	-
Borrowings during the year (net)	11,321.39	6,382.31
Closing balance at the end of the year	**41,315.24**	**26,099.82**

16 Lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Secured		
(a) Non-current		
Long-term maturities of lease obligation	696.98	269.13
	696.98	**269.13**
(b) Current		
Current maturities of lease obligation	387.70	189.31
	387.70	**189.31**
(for disclosure information please refer note 42)	**1,084.68**	**458.44**

Reconciliation of liabilities arising from financing activities

Particulars	For the year ended	
	31 March 2026	31 March 2025
Opening balance at the beginning of the year	458.44	176.63
Recognition of right-of-use liability during the year	779.41	376.07
Interest on Lease liabilities	97.11	33.41
Payment of lease liabilities	(250.28)	(127.67)
Closing balance at the end of the year	**1,084.68**	**458.44**

17 Provisions

Particulars	As at 31 March 2026	As at 31 March 2025
(a) Non-current		
Provision for employee benefits		
- Gratuity (refer Note 40)	411.10	148.30
- Compensated absences	98.55	14.84
	509.65	**163.14**

Notes Forming Part of the Consolidated Financial Statements

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

Particulars	As at 31 March 2026	As at 31 March 2025
(b) Current		
Provision for employee benefits		
- Gratuity (refer Note 40)	108.31	36.31
- compensated absences	44.58	4.51
	152.89	**40.82**

18 (a) Deferred tax liabilities (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Analysis of deferred tax asset/(liabilities) (see note below (b))		
Deferred tax liabilities	5,461.57	4,123.89
Deferred tax assets	(39.93)	(48.82)
Deferred tax liability (net)	**5,421.64**	**4,075.07**

(b) The balance comprises temporary differences attributable to:

Particulars	As at 1 April 2025	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	on account of business combination	As at 31 March 2026
Difference between tax base and books base:					
- Property, plant & equipments	4,123.89	1,742.87	-	(405.18)	5,461.57
- Employee benefits, others	(48.82)	-	8.90	-	(39.93)
Total	**4075.07**	**1,742.87**	**8.90**	**(405.18)**	**5,421.64**

Particulars	As at 1 April 2024	(Charged)/ credited to statement of profit and loss	(Charged)/ credited to other comprehensive income	on account of business combination	As at 31 March 2025
Difference between tax base and books base:					
- Property, plant and equipments	3,396.07	727.82	-	-	4,123.89
- Employee benefits, others	(28.53)	(14.44)	(5.85)	-	(48.82)
Total	**3367.54**	**713.38**	**(5.85)**	**-**	**4,075.07**

Notes Forming Part of the Consolidated Financial Statements

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

19 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Trade payables		
- Dues of micro enterprises and small enterprises (MSME) (refer Note 41)	652.92	42.13
- Dues of other than micro enterprises and small enterprises (others)	37,548.51	27,952.37
	38,201.43	**27,994.50**

Trade payables ageing

As at 31 March 2026

Particulars	Not due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME	74.62	493.88	84.42	-	-	652.92
(ii) - Others	35,006.63	2,275.32	40.77	87.07	138.72	37,548.51
(iii) Disputed dues - MSME	-	-	-	-		-
(iv) - Others	-	-	-	-	-	-
Total	**35,081.25**	**2,769.20**	**125.19**	**87.07**	**138.72**	**38,201.43**

As at 31 March 2025

Particulars	Not due	< 1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
(i) Undisputed dues- MSME	42.13	-	-	-	-	42.13
(ii) - Others	23,650.02	3,993.33	241.18	67.84	-	27,952.37
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) - Others	-	-	-	-	-	-
Total	**23,692.15**	**3,993.33**	**241.18**	**67.84**	**-**	**27,994.50**

20 Other financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Creditors for capital goods	1,799.82	284.22
Employee related payables	378.70	167.10
Provision for expenses	93.71	98.12
Unpaid dividend	4.27	2.00
Security deposits	224.63	-
	2,501.13	**551.44**

21 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Advance from customers*	1,536.27	653.29
Statutory deductions pending for payment	267.99	122.96
	1,804.26	**776.25**

Notes Forming Part of the Consolidated Financial Statements

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

Movement of Contract liabilities:

Particulars	As at 31 March 2026	As at 31 March 2025
Opening contract liabilities	**653.29**	**1,222.90**
Add: Amount received in advance	1,536.27	653.29
Less: Amount refunded to customers	-	-
Less: Revenue recognized	653.29	1,222.90
Closing contract liabilities	**1,536.27**	**653.29**

* 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.

22 Current tax liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Provision for income tax	2,845.19	1,828.09
Pertaining to earlier years	227.92	227.92
	3,073.11	**2,056.01**

23 Revenue from operations

	For the year ended 31 March 2026	For the year ended 31 March 2025
Sale of products	89,189.21	55,559.86
Sale of services	1,243.17	647.06
	90,432.38	**56,206.92**

(For other disclosures refer Note No.48)

24 Other income

	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest on term deposits and loans	421.18	258.78
Liabilities no longer required written back (net)	177.41	14.16
Recoveries from amounts previously consider non-recoverable	1.27	15.60
Duty drawback on exports	1.49	-
Miscellaneous income	26.00	-
	627.35	**288.54**

Notes Forming Part of the Consolidated Financial Statements

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

25 Cost of materials consumed

	For the year ended 31 March 2026	For the year ended 31 March 2025
Raw materials		
Opening stock	33,684.05	20,846.84
Stock transferred on acquisition	2,449.94	-
Add: Purchases	75,382.57	55,418.58
Add: directly attributable to costs	1,635.07	963.72
	1,13,151.63	**77,229.14**
Less : Closing stock	42,930.08	33,684.05
Cost of materials consumed	**70,221.55**	**43,545.09**

26 Purchases of stock in trade

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Electronics	61.70	-
	61.70	**-**

27 Operating cost

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Outsourcing Services	81.12	-
	81.12	**-**

28 Changes in inventories of finished goods and work in progress

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Closing stock		
Finished goods	574.96	22.63
Stock-in-trade	0.12	-
Work in process	35,780.94	26,356.93
Total (A)	**36,356.02**	**26,379.56**
Opening stock		
Finished goods	22.63	610.43
Finished goods transferred on acquisition	22.19	
Stock-in-trade transferred on acquisition	0.23	-
Work in process	26,356.93	21,898.60
Work in process transferred on acquisition	409.37	-
Total (B)	**26,811.35**	**22,509.03**
(Increase)/Decrease in inventories of finished goods and work in progress (B)-(A)	**(9,544.67)**	**(3,870.53)**

Notes Forming Part of the Consolidated Financial Statements

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

29 Employee benefits expense

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Salaries and wages	2,934.81	1,666.78
Contribution to provident and other funds	226.35	89.23
Gratuity expenses (refer note 40)	158.84	33.05
Managerial remuneration	228.00	227.93
Director Sitting fee	12.70	6.40
Staff welfare expenses	157.31	175.19
	3,718.01	**2,198.58**

30 Depreciation and amortization expenses

	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation of property plant & equipment (refer Note 4 (a))	1,821.24	1,337.17
Depreciation on Right-of-use assets (refer Note 4 (c))	241.37	109.36
Amortisation of Intangible Assets (refer Note 4(d))	168.90	86.76
	2,231.51	**1,533.29**

31 Finance costs

	For the year ended 31 March 2026	For the year ended 31 March 2025
Interest on		
Vehicle loans	48.67	47.68
Working capital loans	3,101.83	2,000.71
Bank charges and commissions	739.98	1,332.59
Interest expense on lease liabilities	97.11	33.41
Interest on Debentures	744.78	7.19
	4,732.37	**3,421.58**

32 Other expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Consumption of stores and spares	383.76	-
Commission on sales	1.29	-
Distribution expenses	305.92	-
Business development expenses	136.30	92.97
Professional and consultancy charges	324.07	323.38
Travel and Conveyance	429.80	307.31
Power and fuel	352.19	74.73
Rent (refer note 40)	41.39	18.29

Notes Forming Part of the Consolidated Financial Statements

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Insurance	188.30	95.55
Office maintenance	79.31	88.74
Repairs and maintenance	184.77	62.86
Printing and stationery	34.09	26.36
Communication expenses	25.38	14.70
Advertisement	17.31	13.70
Contractual commitments	408.70	28.12
Audit fees (refer note 38)	22.22	16.24
Rates and taxes	55.50	22.87
Corporate social responsibility expenses (refer note.39)	74.80	100.00
Security charges	13.38	9.54
Donations	14.15	2.35
Loss on foreign currency transactions (net)	630.90	63.01
Expected credit loss on loans	58.71	37.99
Expected credit loss on trade receivables	138.85	10.31
Expected credit loss on trade advances	69.17	3.78
Loss on sale of property, plant and equipment (net)	88.12	-
	4,078.38	**1,412.80**

33 Tax expenses

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A Income tax expense		
Current tax on profits for the year	2,908.12	1,852.37
Earlier year tax adjustment	90.73	53.13
Total current tax expenses (A)	**2,998.85**	**1,905.50**
B Deferred tax		
Decrease/(Increase) in deferred tax assets	8.90	(20.30)
(Decrease)/Increase in deferred tax liabilities	1,742.87	727.82
Total deferred tax expense/(benefit) (B)	**1,751.77**	**707.52**
C Recognised in Other comprehensive income	(8.90)	5.85
Income tax expenses (A+B+C)	**4,741.72**	**2,618.87**

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 31 March 2026	For the year ended 31 March 2025
Profit before tax	15,479.76	8,254.65
Exceptional item	-	-
(A) Total Net profit before taxes	**15,479.76**	**8,254.65**
(B) Applicable tax rate under normal provisions	29.12%	29.12%
(C) Tax payable under provisions as per applicable rate = (A*B)	4,507.71	2,403.75

Notes Forming Part of the Consolidated Financial Statements

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
(D) Increase/decrease in tax on account of :		
Depreciation as per books	649.82	446.49
Depreciation as per Income tax act, 1961	(242.27)	(196.88)
Others items	(173.53)	(34.50)
Total	**234.02**	**215.11**
Tax as per normal provision under Income tax (C+D)	**4,741.72**	**2,618.87**
Effective tax rate in %	30.63	31.73

The Company's average effective tax rate for the year ended 31 March 2026 and 31 March 2025 were 30.63% and 31.73% respectively

(E) Details of adjustment of earliers years: ₹.90.73 lakhs

During the year, an amount of ₹90.73 lakhs has been recognised as an adjustment relating to an under-provision of income tax pertaining to the financial year 2024–25. The adjustment represents the difference between the income tax provision originally recognised for FY 2024–25 and the actual tax liability determined subsequently.

(F) Uncertain tax positions

The Company is contesting various disallowances by the Income Tax authorities. The associated tax impact for disallowances being more likely than not to be accepted by tax authorities is ₹ 6,356.28 lakhs and ₹ 321.44 lakhs as of 31 March 2026 and 2025 respectively. Accordingly, no provision is made in these standalone financial statements as of 31 March 2026

(G) As at 31 March 2026, the Company does not have any carried forward tax losses or unabsorbed depreciation eligible for set-off against future taxable profits under the Income-tax Act, 1961.

34 Contingent liabilities and commitments (to the extent not provided)

Particulars	As at 31 March 2026	As at 31 March 2025
i) Contingent liabilities:		
(a) Claims against the Company not acknowledged as debts (refer note below (a))	6,356.28	321.44
(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))	4,832.63	2,304.44
ii) Commitments:	Nil	Nil
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	Nil	Nil
- At 31 March 2026, the Company has commitments relating to construction of new factory building at Shamshabad.	2,130.91	561.55

Note:

a) The Company's pending litigations comprise of 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

Notes Forming Part of the Consolidated Financial Statements

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

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 favour 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 2026, the aggregate amount of such outstanding guarantees and counter-guarantees amounted to ₹.4,832.63 lakhs, 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.

35 Related party disclosures

The following are the related parties identified, transactions with such related parties during the year ended 31March, 2026 and balance outstandings 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.Ananya Sip Technologies Pvt Ltd	Director has significant influence
M/s. IDL Explosives Limited	Step-down subsidiary
M/s.Apollo Food and Beverages Private Limited	Director has significant influence
Sri.Baddam Karunakar Reddy	Managing Directors (Key Management Personnel)
Sri.Satyanarayana Batchu	Directors (Key Management Personnel)
Sri.Venkata Subbarao Gupta Batchu	Directors (Key Management Personnel)
Sri.Raghupathy Goud Theegala	Directors (Key Management Personnel)
Sri.Addepalli Krishna Sai Kumar	Whole-time Director (Key Management Personnel)
Sri.Aditya Kumar Halwasiya	Directors
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 (Key Management Personnel)
Sri.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.

Notes Forming Part of the Consolidated Financial Statements

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

a. Transactions during the year:

Compensation paid to key management personnel

Particulars	2025-26 Short-term employee benefits	2024-25 Short-term employee benefits
Remuneration:		
Sri.Baddam Karunakar Reddy	180.00	180.00
Sri.Addepalli Krishna Sai Kumar	24.00	24.00
Sri.Chiluveru Sudarshan	24.00	24.00
Sri.Chandrapati Venkata Siva Prasad	24.00	23.93
Mrs.Rukhya Parveen	11.55	11.08
Total	**263.55**	**263.01**

Name of the party	Nature of Transaction	For the year ended 31 March 2026	For the year ended 31 March 2025
Sri.Baddam Karunakar Reddy	Dividend	422.31	84.46
Sri.Addepalli Krishna Sai Kumar	Dividend	5.43	1.09
Sri.Chiluveru Sudarshan	Dividend	0.00	0.00
Sri.Chandrapati Venkata Siva Prasad	Dividend	1.98	0.40
Sri.Aditya Kumar Halwasiya	Dividend	3.75	-
Sri.Baddam Karunakar Reddy	Rent	8.40	8.40
Sri.Raghupathy Goud Theegala	Sitting fees	2.20	2.40
Mrs.Karunasree Samudrala	Sitting fees	2.20	2.40
Sri.Chandrashekar Matham	Sitting fees	1.20	1.60
M/s.Apollo Food and Beverages Private Limited	Advance for supplies Received/(Repaid)	(450.00)	450.00

b. Outstanding balances:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Rent to Sri.Baddam Karunakar Reddy	7.64	4.28
Remuneration payable to:		
Sri.Baddam Karunakar Reddy	0.24	9.17
Sri.Addepalli Krishna Sai Kumar	2.00	1.48
Sri.Chiluveru Sudarshan	1.75	1.48

Notes Forming Part of the Consolidated Financial Statements

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

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Sri.Chandrapati Venkata Siva Prasad	1.74	1.55
Mrs.Rukhya Parveen	1.19	0.89
Sri.Raghupathy Goud Theegala	0.18	2.16
Mrs.Karunasree Samudrala	0.18	2.16
Sri.Chandrashekar Matham	0.18	1.44
Loan payable		
Sri.Venkata Subbarao Gupta Batchu	3.21	3.21

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.

36 Segment information

The Group 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 31 March 2026	For the year ended 31 March 2025
Electronical componants/goods	90,432.38	56,206.92
Others	-	-
Total Revenue	**90,432.38**	**56,206.92**

b) Disaggregation by Geographical Areas

Geography	For the year ended 31 March 2026	For the year ended 31 March 2025
Domestic (India)	90,432.38	56,206.92
Export (outside India)	-	-
Total Revenue	**90,432.38**	**56,206.92**

c) Major customers

There are no customers individually contributing more than 10% of Company's revenue for the year ended on 31 March 2026. For the year ended 31 March 2025 there is one customer contributing 20.03% of the revenue for the year.

Notes Forming Part of the Consolidated Financial Statements

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

37 Description of the Group

Subsidiaries and step-down subsidiary entities of the parent company are listed below:

Name of the subsidiaries	Nature of Holding	Country of Incorporation	Percentage of Direct/Indirect Ownership Interest
Ananya SIP RF Techonologies Private Limited	Subsidiary	India	51%
Apollo Defence Industries Private Limited	Subsidiary	India	76%
Apollo Strategic Technologies Private Limited	Step-down subsidiary	India	51%
IDL Explosives Limited	Step-down subsidiary	India	100%

38 Payment to auditors

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Statutory audit fee	14.45	12.50
Tax audit fee	4.50	3.00
Certification fee	3.27	0.74
Total	**22.22**	**16.24**

39 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 31 March 2026	For the year ended 31 March 2025
1 Amount required to be spent by the Company during the year	105.43	63.06
2 Amount incurred	-	-
(a) CSR expenditure:		
(i) Construction/acquisition of asset		
(ii) For purposes other than (i) above.	74.80	100.00
(b) CSR expenditure for 'Ongoing Projects	-	-
(c) Total CSR expenditure incurred during the year	**74.80**	**100.00**
3 Excess/(shortfall) at the end of the year {2(c) -1}	(30.63)	36.94
4 Previous years excess/(shortfall)	37.17	0.23
5 Total excess/(shortfall)	6.54	37.17
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	74.80	100.00
Promotion of education (ongoing project)	-	-
Total	**74.80**	**100.00**

Notes Forming Part of the Consolidated Financial Statements

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

40 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.

Product/Service Category	For the year ended 31 March 2026	For the year ended 31 March 2025
Changes in present value of obligations		
Present value at the beginning of the year	185.91	140.29
On account of Business combination	261.44	-
Interest cost	29.25	9.68
Current Service Cost	41.02	23.66
Cost PSC - Vested	89.50	-
Benefits paid	(70.45)	(7.76)
Actuarial (gain)/loss on obligations	(33.79)	20.05
Liabilities assumed/(settled)	(0.82)	
Present value at the end of the year	502.06	185.91
Changes in fair value of planned assets		
Fair value of plan assets at the beginning of the year	1.30	8.96
Acquisition adjustments	(0.93)	(2.28)
Expected return on plan assets	0.93	0.28
Contributions	96.25	2.15
Benefits paid	(70.45)	(7.76)
Actuarial (gain)/loss on planned assets	(0.78)	(0.05)
Fair value of plan assets at the end of the year	26.32	1.30
Amount recognized in the balance sheet		
Present value of obligations as at the end of year	502.06	185.91
Fair value of plan assets as at the end of year	(26.32)	(1.30)
Net asset/(liability) recognized in balance sheet	475.73	184.61
Expenses recognized in Statement of Profit and Loss		
Current service cost	41.02	23.66
Past Service Cost	89.50	-
Interest cost	29.25	9.68
Expected return on plan assets	(0.93)	(0.28)
Total Actuarial Gain/Loss.	158.84	33.05
Amount recognized in Other Comprehensive income		
Actuarial (gain)/ loss on obligations	(33.79)	20.05
Actuarial (gain)/loss - plan assets	0.79	0.05
Actuarial (gain)/loss recognized in the year	(33.00)	20.10

(i) Regulatory Framework in which Plan operates:

The payment of Benefit is governed by LIC (group gratuity insurance manager).

Notes Forming Part of the Consolidated Financial Statements

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

(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).

(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 2026 and 31 March 2025, by asset category was as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Funds managed by insurers	100.00%	100.00%
Others	0.00%	0.00%

Notes Forming Part of the Consolidated Financial Statements

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

(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 31 March 2026	For the year ended 31 March 2025
Discount rate(p.a)	0.94%	6.75%
Expected rate of return (p.a)	6.33%	6.00%
Salary escalation rate (p.a)	6.33%	6.00%

(vii) Sensitivity analysis

Discount Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
+ 1% change	15.08	10.46
- 1% change	(12.12)	(8.68)
Salary increase		
+ 1% change	11.97	13.99
- 1% change	(13.83)	(17.02)

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.

(viii) Asset Liability Matching Reserves: The Company has Group Gratuity Insurance Manager for administering the Plan liability. The funds of the Plan liability are invested by the Group Gratuity Insurance Manager, pay the benefits to members of the enterprise as per Rules of the Group Gratuity Insurance Manager. So the Group Gratuity Insurance Manager is exposed to the liquidity risk of not being able to arrange for the benefit outgo due to cash liquidity problems and so the Group Gratuity Insurance Manager faces a liquidity risk.

(ix) Funding arrangements and Funding Policy: The Company has Group Gratuity Insurance Manager for administering the Plan liability. The funds of the Plan liability are invested by the Group Gratuity Insurance Manager pay the benefits to members of the enterprise as per Rules of the Group Gratuity Insurance Manager. So the Group Gratuity Insurance Manager is exposed to the liquidity risk of not being able to arrange for the benefit outgo due to cash liquidity problems and so the Group Gratuity Insurance Manager faces a liquidity risk. If the Group Gratuity Insurance Manager 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.

Notes Forming Part of the Consolidated Financial Statements

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

(x) The expected future contributions in respect of gratuity as at 31 March 2026 were as follows:

Particulars	Amount in Lakhs
Expected contributions	
During the year ended 31 March 2027 (estimated)	24.20
Expected future benefit payments and maturity profile	
1 year	96.09
2 to 5 years	54.65
6 to 10 years	136.19
More than 10 years	852.09

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 ₹60.32 lakhs and ₹19.34 lakhs as at 31 March 2026 and 31 March 2025, respectively.

41 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 31 March 2026	For the year ended 31 March 2025
a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	652.92	42.13
b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end;	0.36	Nil
c) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.36	Nil
d) Principal payment made to suppliers registered under the MSMED Act, beyond the appointed day during the year;	8.86	Nil
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

Notes Forming Part of the Consolidated Financial Statements

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

42 Leases

Disclosure pursuant to Ind AS 116 "Leases"

(a) Where the Company is a lessor:

Operating leases: The Company has given buildings under operating lease. The lease income received during the year is ₹ 38.45 lakhs (previous year: ₹ 0.80 lakhs). Leases are renewed only on mutual consent and at a prevalent market price and sub-lease is generally restricted.

Annual undiscounted lease payments receivable is as under:

Particulars	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5years	Total
As at 31-3-2026	3.6	3.6	3.6	3.6	3.6	18.00
As at 31-3-2025	3.6	3.6	3.6	3.6	3.6	18.00

(b) Where the Company is a lessee:

The Company has taken various assets on lease such as, plant and equipment, buildings, and computer equipment. Generally, leases are renewed only on mutual consent and at a prevalent market price and sub-lease is restricted.

Details with respect to right-of-use assets:

Class of asset	Depreciation for the year		Additions during the year		Carrying amount	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Buildings	14.76	-	44.29	-	29.53	-
Plant & equipment	133.05	102.56	843.74	365.92	1,067.62	441.30
Computers	9.07	6.80	-	27.22	11.35	20.42
Land	0.11	-	5.59	-	5.48	-
Total	**157.00**	**109.36**	**893.61**	**393.14**	**1,113.97**	**461.72**

(i) Interest expense on lease liabilities amounts to ₹97.11 Lakhs (previous year: ₹33.41 lakhs).

(ii) The expense relating to payments not included in the measurement of lease liability and recognized as expense in the Statement of Profit and Loss during the year are as follows:

* Low value leases - Nil (previous year: Nil)

* Short-term leases - ₹ 41.39 lakhs (previous year: ₹18.29 lakhs) and

(iii) Total cash out flow for leases amounts to ₹292.39 lakhs during the year (previous year: ₹145.96 lakhs) including cash outflow of short-term and low value 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 Right of use 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.

Notes Forming Part of the Consolidated Financial Statements

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

The changes in the carrying value of Right of Use assets for the year ended 31 March 2026 are as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening balance	461.72	232.16
Additions	893.61	393.14
Deletions	-	-
Amortisation	241.37	163.58
Closing balance	**1,113.96**	**461.72**

The break-up of current and non-current lease liabilities as at 31 March 2026 is as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Current	387.70	189.31
Non-current	696.98	269.13
Total	**1,084.68**	**458.44**

The movement in lease liabilities during the year ended 31 March 2026 is as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Opening balance	458.44	176.63
Lease liability recognised during the year	779.41	376.07
Finance cost during the year	97.11	33.41
Payment of lease	(250.28)	(127.67)
Closing balance	**1,084.68**	**458.44**

The following are the amounts recognised in the statement of profit and loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation expense of right-of-use assets	241.37	109.36
Interest expense on lease liabilities	97.11	33.41
Expenses related to short term leases	41.39	18.29
	379.86	**161.06**

The aggregate maturities of long-term leases, based on contractual maturities (excluding interest) as of 31 March 2026 and 31 March 2025 were as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Lease Liabilities		
Before 3 months	92.67	32.05
3 – 6 months	92.56	32.05
6 – 12 months	173.18	64.10
1 – 3 years	626.02	296.34
3 – 5 years	100.25	33.91
Above 5 years	-	-
Total	**1,084.68**	**458.44**

Notes Forming Part of the Consolidated Financial Statements

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

Lessor	Interest rate p.a	Tenure
Origa Markets Private Limited	10.00%	36 instalments
Cholamandalam finance	10.00%	20 Quarterly instalments
Origa Markets Private Limited	5.25%	60 instalments

Short term leases:

As part of transition, under Ind AS 116 'Leases' during the Previous year, the Group 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 ₹41.39 (for the year ended 31 March 2025: ₹18.29).

43 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.

Computation of basic and diluted earnings per share:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Net profit for the year (₹ in lakhs)	11,292.04	5,639.65
Shares		
Weighted average number of equity shares outstanding during the year – basic	33,74,56,014	30,36,60,303
Add: Weighted average number of equity shares on account of pending share warrants to be allotted	38,02,411	-
Weighted average number of equity shares outstanding during the year – diluted	34,12,58,425	30,36,60,303
Earnings per share		
Earnings per share of par value ₹ 1 – basic (₹)	3.35	1.86
Earnings per share of par value ₹ 1 – diluted (₹)	3.31	1.86

Notes Forming Part of the Consolidated Financial Statements

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

44 Financial instruments

A. Measurement of fair values

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

B. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	31 March 2026		31 March 2025		Fair value Level
		Total carrying value	Fair value/ Amortised cost	Total carrying value	Fair value/ Amortised cost	
Financial assets						
Trade receivables	8	48,093.46	48,093.46	23,832.95	23,832.95	-
Cash and cash equivalents	9	8,950.32	8,950.32	4,026.96	4,026.96	-
Other bank balances	10	6,661.11	6,661.11	2,220.89	2,220.89	-
Loans	11	542.79	542.79	769.31	769.31	-
Total financial assets		**64,247.68**	**64,247.68**	**30,850.11**	**30,850.11**	-
Financial liabilities						
Borrowings	15(a) & 15(b)	53,241.21	53,241.21	33,076.30	33,076.30	-
Lease liabilities	16(a) & 16(b)	1,084.68	1,084.68	458.44	458.44	-
Trade payables	19	38,201.44	38,201.44	27,994.50	27,994.50	-
Other financial liabilities	20	2,501.13	2,501.13	551.44	551.44	-
Total financial liabilities		**95,028.46**	**95,028.46**	**62,080.68**	**62,080.68**	-

The fair value of trade receivables, other financial assets, cash and cash equivalents, other bank balances, loans, borrowings, trade payables and other financial liabilities approximate their carrying amount largely due to short-term nature of these instruments.

Notes Forming Part of the Consolidated Financial Statements

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

45 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Group's operations. The Group's principal financial assets include trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Board of Directors 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 2026 and 31March 2025. 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.

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 2026 and 31March 2025.

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group 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 Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in interest rate	Effect on profit before tax
31 March 2026		
INR	+1%	(532.41)
INR	-1%	532.41
31 March 2025		
INR	+1%	(330.76)
INR	-1%	330.76

Notes Forming Part of the Consolidated Financial Statements

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

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.

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.

The Group 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 Group 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 31 March 2026	As at 31 March 2025
With credit period	35,296.12	11,319.04
91-180 days past due	6,966.42	7,131.92
More than 180 days past due	5,830.92	5,381.99
Total	**48,093.46**	**23,832.95**

Notes Forming Part of the Consolidated Financial Statements

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

c) Liquidity risk

The Group'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 Group'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
Year ended 31 March 2026						
Borrowings	37,316.36	1,096.65	3,289.95	12,622.95	-	54,325.91
Trade payables	37,548.51	-	-	-	-	37,548.51
Year ended 31 March 2025						
Borrowings	24,551.74	434.35	1,303.04	7,245.60	-	33,534.73
Trade payables	27,952.37	-	-	-	-	27,952.37

46 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 it's 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 March 31, 2026 and March 31, 2025 was as follows:

Particulars	31 March 2026	31 March 2025
Total equity attributable to the equity shareholders of the Company	1,30,822.03	60,756.89
As a percentage of total capital	71.1%	64.7%
Long term borrowings including current maturities	16,312.56	8,713.87
Short term borrowings	36,928.65	24,362.43
Total borrowings	**53,241.21**	**33,076.30**
As a percentage of total capital	28.9%	35.3%
Total capital (equity and borrowings)	**1,84,063.25**	**93,833.19**

47 Good will

1. Description of the Acquisition

Apollo Defence Industries Private Limited ("ADIPL"), is a subsidiary of the Company, entered into a Share Purchase Agreement dated 02 May 2025 to acquire 100% of the equity share capital of IDL Explosives Limited ("IDL"). The transaction was completed on 15 November 2025 ("acquisition date"), on which date ADIPL obtained control of IDL, thereby making IDL a wholly owned step-down subsidiary of the Company.

IDL is engaged in the manufacture of Industrial explosives, Accessories and allied products and qualifies as a business as defined in Ind AS 103. The acquisition was undertaken by the Group to expand the Group's defence and explosives manufacturing capability and to obtain access to IDL's manufacturing licences and infrastructure.

Notes Forming Part of the Consolidated Financial Statements

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

2. Consideration Transferred

The total purchase consideration for the acquisition of IDL was ₹ 10,700.00 Lakhs, satisfied as follows:

Particulars	₹. Lakhs
Cash consideration paid on completion	10,700.00
Total purchase consideration	**10,700.00**

3. Net Cash Outflow on Acquisition

Particulars	₹. Lakhs
Cash consideration paid	10,700.00
Less: cash and cash equivalents acquired	1,734.78
Net cash outflow on acquisition	**8,965.22**

4. Identifiable Assets Acquired and Liabilities Assumed

The amounts recognised in respect of identifiable assets acquired and liabilities assumed, measured at their provisional fair values as at the acquisition date, are set out below:

Particulars	₹. Lakhs (Provisional)
Property, plant and equipment	4,888.12
Capital work-in-progress	2,309.28
Intangible assets	24.01
Inventories	3,116.69
Trade receivables	3,786.10
Cash and cash equivalents	2,174.57
Other financial and non-financial assets	4,790.91
Trade payables and other financial liabilities	3,768.49
Borrowings	20,721.03
Provisions	417.83
Total identifiable net assets acquired	**(3,817.67)**
Goodwill arising on acquisition (Note 6 below)	**14,517.67**
Total consideration transferred	**10,700.00**

5. Provisional Accounting and Measurement Period

As at 31 March 2026, the initial accounting for the business combination is incomplete and the amounts disclosed in table above are accordingly provisional. This is because the Company is in the process of finalising the independent valuation of property, plant and equipment and identifiable intangible assets, and the assessment of provisions/contingent liabilities relating to statutory, regulatory and environmental matters specific to an explosives manufacturing licence holder.

In accordance with Ind AS 103.45–50, the Company will retrospectively adjust the provisional amounts recognised as at the acquisition date, with a corresponding adjustment to goodwill, to reflect new information obtained about facts and circumstances that existed at the acquisition date. The measurement period will not exceed one year from the acquisition date, i.e., it will conclude no later than 15 November 2026.

Notes Forming Part of the Consolidated Financial Statements

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

6. Goodwill

The goodwill of ₹14,517.67 Lakhs arising on the acquisition is attributable to the assembled work force, manufacturing know-how and statutory licences held by IDL, and synergies expected from integration with the Group's defence manufacturing business, none of which qualify for separate recognition as an identifiable intangible asset. The goodwill so recognised is not expected to be deductible for income tax purposes.

As the purchase price allocation is provisional, the goodwill recognised above is itself provisional and remains subject to adjustment within the measurement period specified above.

7. Acquisition-Related Costs

Acquisition-related costs of ₹2.73 Lakhs, comprising legal, due diligence and advisory fees incurred in connection with the acquisition, have been recognised as an expense and included in the Statement of Profit and Loss for the year ended 31 March 2026.

8. Contribution to Group Results

IDL contributed revenue of ₹. 13,764.39 Lakhs and profit/(loss) after tax of ₹ (262.82) Lakhs to the Group for the period from the acquisition date (15 November 2025) to 31 March 2026, as included in the consolidated Statement of Profit and Loss for the year.

Had the acquisition of IDL been completed on 1 April 2025 (i.e., the first day of the financial year), the Group's revenue for the year ended 31 March 2026 would have been ₹1,14,647.77 Lakhs and the Group's profit for the year would have been ₹7,936.79 Lakhs.

48 Disclosures as per IndAS-115, Revenue from Contracts with customers

A. Disaggregated revenue information:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
1 Type of goods or service		
Product	89,189.21	55,559.86
Service Income	1,243.17	647.06
Other operating revenue	0.00	0.00
Total revenue from contracts with customers	**90,432.38**	**56,206.92**
2 Geographical		
Revenue from contracts with customers		
Within India	90,432.38	56,206.92
Outside India	**NIL**	**NIL**
3 Timing of revenue recognition		
Goods transferred at a point in time	89,189.21	55,559.86
Services transferred at a point in time	1,243.17	647.06
Other operating revenue	0.00	0.00
Total revenue from contracts with customers	**90,432.38**	**56,206.92**

* 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 Consolidated 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 31 March 2026	For theyear ended 31 March 2025
Contract price	90,432.38	56,206.92
Less: Discounts and disallowances	NIL	NIL
Revenue from contract with customers	90,432.38	56,206.92

C. Contract balances:

Particulars	Refer Note No.	For the year ended 31 March 2026	For theyear ended 31 March 2025
Trade receivables	8	48,093.46	23,832.95
Contract liabilities	21	1,536.27	653.29

D. Information about Receivables, Contract Assets and Contract Liabilities from Contracts with Customers:

Particulars	Refer Note No.	For the year ended 31 March 2026	For theyear ended 31 March 2025
Trade Receivables	8	48,093.46	23,832.95
Contract Liabilities	21	1,536.27	653.29

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.

49 There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31 March 2026

50.1 Ratio Analysis

Particulars	Numerator	Denominator	31 March 2026	31 March 2025	% change	Reason for variance
Current ratio	Current asset	Current liabilities	1.90	1.78	6.77	
Debt-equity ratio	Total debt	Shareholder's Equity	0.81	1.14	(28.86)	Due to increase in equity during the year
Debt service coverage ratio	Earning available for debt service	debt service	5.54	7.16	(22.52)	
Return on equity ratio	Net profit after taxes	Average shareholder's equity	11.21	10.00	12.06	
Inventory turnover ratio	Cost of goods Sold	Average inventory	0.87	0.77	13.31	
Trade receivable turnover ratio	Net sales	Average trade receivable	2.51	2.37	5.94	

Notes Forming Part of the Consolidated Financial Statements

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

Particulars	Numerator	Denominator	31 March 2026	31 March 2025	% change	Reason for variance
Trade payable turnover ratio	Net Purchases	Average Trade Payable	2.30	2.47	(6.83)	
Net capital turnover ratio	Net sales	Average working capital	1.44	1.34	6.87	
Net profit ratio	Net profit after tax	Revenue from operation	11.87%	10.03%	18.42	
Return on capital employed ratio	Earning before interest and taxes	Average capital employed	0.14	0.16	(16.28)	
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

50.2 Additional regulatory information as per Para L of General instructions to Balancesheet and Para 17 (I) to (m) of General insructions to Proit and loss account in Division-II of Schedule III of Act:

(1) The title deeds of all immovable properties disclosed in the financial statements are held in the name of the Company, except for:

(a) Land allotted by TSIIC, for which the title deed/registration is yet to be executed in the name of the Company as per the terms of allotment.

(b) A flat purchased in Chandigarh, for which possession has been received by the Company as of the reporting date; however, the registration of the property is pending.

Accordingly, the title deeds of the above properties are not held in the name of the Company as at the reporting date.

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value	Whether title deed holder is a promoter, director or relative# of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE/TSIIC	Land	2,761.82	No	11.07.2025	registration of the property is pending.
PPE/Ambience Projects and Infrastructure Pvt. Ltd	Building (flat)	489.28	No	09.01.2026	

Notes Forming Part of the Consolidated Financial Statements

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

(2) The Company has no investment properties and, accordingly, disclosure of revaluation by a registered valuer is not applicable.

(3) The property Plant and Equipment held with the company are not subjected to any revaluation during the year.

(4) The Intangible assets held with the company are not subjected to any revaluation during the year

(5) The Company has not granted any loans or advances in the nature of loans to Promoters, Directors, KMPs and other related parties.

(6) Capital work in progress:

(a) Ageing details for Capital Work in Progress as on 31 March 2026

Particulars	<1 Year	1 - 2 Years	2 - 3 Years	> 3 Years	Total
Projects in progress	15,002.14	3,444.56	508.22	674.48	19,629.40
Projects temporarily suspended	-	-	-	-	-

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	6,045.54	508.22	165.22	509.26	7,228.24
Projects temporarily suspended	-	-	-	-	-

There are no projects as capital work in progress, as at 31 March 2026 and 31 March 2025 whose completion is overdue or cost of which has exceeded in comparison to its original plan.

(7) The Company does not have any intangeble assets under development as on reporting date

(8) 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 2026.

(9) 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.

(10) The Company is not declared as wilful defaulter by any Bank or Financial Institutions or RBI or other lenders.

(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 charges or satisfaction of charges yet to be registered with Registrar of Companies beyond the statutory period.

(13) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act read with the Companies (Restriction on number of Layers) Rules, 2017

(14) The financial ratios are calculated and provided in Note refer note 50.1

(15) There are no Schemes of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Notes Forming Part of the Consolidated Financial Statements

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

(16) (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.

(17) 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)

(18) The Company is covered under Section 135 of the Companies Act and obiligation of ₹105.43 and the required disclosures are provided in Note 39

(19) The Company has not invested or traded in Crypto currency or Virtual Currency during the financial year.

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Disclosure of additional information in Consolidated Financial Statements as required in para II in general instructions as part III of division II to Schedule III to the Companies Act,2013.

As at and for the year ended 31 March 2026

Particulars	Net Assets, i.e total assets minus toltal liabilities		Share in profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated Total comprehensive income	Amount
Holding Company	101.08%	1,32,233.32	112.29%	12,057.87	43.87%	10.58	112.14%	12,068.45
Subsidiaries								
Indian :								
Ananya Sif Technologies Private Limited	-0.04%	(55.45)	-2.33%	(250.46)	0.00%	-	-2.33%	(250.46)
Apollo Defence Industries Private Limited-Consolidated (including step-down subsidiary Apollo Strategic Technologies Private Limited and IDL Explosives Limited)	-1.38%	(1,808.97)	-16.88%	(1,812.52)	56.13%	13.53	-16.72%	(1,798.98)
Foreign								
Nill	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total	**99.65%**	**1,30,368.90**	**93.08%**	**9,994.89**	**100.00%**	**24.11**	**93.09%**	**10,019.00**
Adjustment arising out ofconsolidation	0.35%	453.14	6.92%	743.15	0.00%	-0.00	6.91%	743.14
Net amount	**100.00%**	**1,30,822.03**	**100.00%**	**10,738.04**	**100.00%**	**24.11**	**100.00%**	**10,762.14**

Note: The company has no joint ventures or associates as of the year ended 31 March 2026

Notes Forming Part of the Consolidated Financial Statements

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

As at and for the year ended 31st March 2025

Particulars	Net Assets, i.e total assets minus toltal liabilities		Share in profit and loss		Share in Other Comprehensive income		Share in Total Comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated Total comprehensive income	Amount
Holding Company	100.17%	60,861.89	101.57%	5,724.16	100.00%	(14.25)	101.57%	5,709.91
Subsidiaries								
Indian:								
Ananya Sif Technologies Private Limited	0.32%	195.01	-0.05%	(2.80)	0.00%	-	-0.05%	(2.80)
Apollo Defence Industries Private Limited	-0.02%	(9.99)	-0.18%	(10.40)	0.00%	-	-0.18%	(10.40)
Foreign:								
Nil	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	**100.48%**	**61,046.90**	**101.33%**	**5,710.97**	**100.00%**	**(14.25)**	**101.34%**	**5,696.72**
Adjustment arising out of consolidation	-0.48%	-290.01	-1.33%	(75.19)	0.00%	-	-1.34%	(75.19)
Net amount	**100.00%**	**60,756.89**	**100.00%**	**5,635.78**	**100.00%**	**(14.25)**	**100.00%**	**5,621.53**

Note: The company has no joint ventures or associates as of the year ended 31 March 2025

52 Regulatory deferral accounting balances are not applicable to the Company

53 Audit Trail and Back up

Audit Trail – The Company has used tally accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with. Additionally, the audit trail of prior years has been preserved as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

Notes Forming Part of the Consolidated Financial Statements

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

54 Subsequent events

There have been no material events occurring after the reporting date up to the date of approval of these standalone financial statements that require adjustment to or disclosure in these consolidated financial statements.

55 Approval of Consolidated Financial Statements

These Group financial statements were approved for issue by the Board of Directors in their meeting held on 18 May 2026.

Signatures to Note 1 to 55

As per our report of even date attached
for **S.T.Mohite & Co**
Chartered Accountants
Firm Registration Number: 011410S

Sd/-
CA.Hima Bindu Sagala
Partner
Membership No.: 231056
UDIN: 26231056QQVHAH6926

Place: Hyderabad
Date: 18 May 2026

For and on behalf of the Board of Directors of
Apollo Micro Systems Limited

Sd/-
Karunakar Reddy Baddam
Managing Director
DIN: 00790139

Sd/-
Krishna Sai Kumar Addepalli
Director
DIN: 03601692

Sd/-
Sudarshan Chiluveru
Chief Financial Officer

Place: Hyderabad
Date: 18 May 2026

Sd/-
Rukhya Parveen
Company Secretary
Membership No: A65112

Notes

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Apollo Micro Systems Limited

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