



Date: 15th May 2026

BSE Limited, Department of Corporate Services Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Ltd., Listing Department Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
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Scrip Code: 540879

Symbol: APOLLO

ISIN: INE713T01028

Dear Sir(s),

Sub: Submission of Monitoring Agency Report under Regulation 32(6) of SEBI (Listing obligations and Disclosures Requirements) Regulations, 2015 – Utilization of Preferential Issue Proceeds.

Pursuant to the provisions of Regulation 32(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Regulation 41(4) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we hereby submit the Monitoring Agency Report for the quarter ended 31st March 2026, issued by Acuite Ratings & Research Limited.

We Request you to kindly take on record.

Yours faithfully

For Apollo Micro Systems Limited

**Karunakar Reddy Baddam
Managing Director
DIN:00790139**

Report of the Monitoring Agency (MA)

Name of the issuer	: Apollo Micro Systems Limited
For quarter ended	: Q4 FY2025-26
Name of the Monitoring Agency	: Acuite Ratings and Research Limited
(a) Deviation from the objects	: No deviation is observed.
(b) Range of Deviation	: Not applicable
(c) Any other material fact to be highlighted	: None

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that there is no conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer, or while undertaking credit rating or other commercial transactions with the entity.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.

Vikas Y Digitally signed
by Vikas Y Mishra
Mishra Date: 2026.05.15
21:12:31 +05'30'

Signature:

Vikas Mishra
Deputy Vice President - Process Excellence

1. Issuer Details:

Name of the issuer : Apollo Micro Systems Limited
Names of the promoter : Mr. Karunakar Reddy Baddam
Industry/sector to which it belongs : Aerospace and Defense / Capital Goods

2. Issue Details:

Issue Period : April and May 2025
Type of issue : Preferential Issue
Type of specified securities : Equity Shares and Convertible Warrants
IPO Grading, if any : Not applicable
Issue size : INR 742.25 Crs.

Particulars	Units Issued	Offer Price (INR)	Amount as proposed in the Offer Document (INR Crs.)	Actual Allotment	Amount Raised (INR Crs.)
Equity Shares	3,34,18,806	114.00	380.97	2,70,42,894	308.29
Warrants	3,81,67,059	114.00	435.10	3,80,67,058	433.96
Total	7,15,85,865	-	816.08	6,51,09,952	742.25

(For additional details, refer Page No. 4)

3. Details of the arrangement made to ensure the monitoring of issue proceeds

Particulars	Reply from the issuer	Source of information/ certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments the Board of Directors
1. Whether all utilization is as per the disclosures in the Offer Document?	Yes	Documents provided by the issuer including: Bank statements, Invoices, Certificate from the statutory auditors	Yes, the utilization in respective objects is as per disclosures by the company.	Yes
2. Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	Not applicable		Material deviation is not observed.	There are no deviations
3. Whether the means of finance for the disclosed objects of the issue has changed?	No		No change is observed.	No
4. Is there any major deviation observed over the earlier monitoring agency reports?	Not applicable		The issuer had not appointed any other Monitoring Agency to monitor utilization of these objects.	NA
5. Whether all Government / Statutory approvals related to the object(s) have been obtained?	Yes		Government / Statutory approval is not required for objects.	Yes the in principle and listing approvals from stock exchanges have been received
6. Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Not applicable		No arrangement pertaining to technical assistance / collaboration is required with reference to the object.	NA
7. Are there any favorable events improving the viability of these object(s)?	NA		No favorable event is observed that may improve the viability of these objects.	No
8. Are there any unfavorable events affecting the viability of the object(s)?	No		No unfavorable event is observed affecting the viability of these objects.	No unfavourable events occurred
9. Is there any other relevant information that may materially affect the decision making of the investors?	No		No relevant information is evident that may materially affect the decision making of the investors.	No

4. Details of object(s) to be monitored:

i. Cost of object(s)

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document) [INR Crs.]	Revised Cost [INR Crs.]	Comments of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangement
1	For Working Capital Requirement	Documents provided by the issuer including: Bank statements, Invoices, Statutory Auditor's Certificate, etc.	500.00	454.77	Revision of cost of object(s) was reported in earlier reporting periods.			
2	For Research & Development Expenditure for development of futuristic technologies		75.00	68.21				
3	Investment in Subsidiary (ies)		66.00	60.03				
4	General Corporate Purposes		175.08	159.24				
	Total		816.08	742.25				The Company has proposed to raise Rs.816.08 Crores. However the Company has received subscription for Rs.742.25 Crores, hence the cost is revised

ii. Progress in the object(s) –

Sr. No.	Item Heads	Source of information / certifications considered by the Monitoring Agency for the preparation of report	Amount as proposed in the Offer Document [INR Crs.]*	Amount raised [INR Crs.]**	Amount utilized [INR Crs.]			Total unutilized amount [INR Crs.]	Comments of the Monitoring Agency	Comments of the Issuer's Board of Directors	
					As at beginning of the quarter	During the quarter	At the end of the quarter**			Reasons for idle funds	Proposed course of action
1	For Working Capital Requirement	Documents provided by the issuer including: Bank statements, Invoices, Certificate from the statutory auditors issued by M/s S T Mohite & Co., etc***.	454.77	Not confirmed	411.62	43.15	454.77	Nil	No comments.	No comments	
2	For Research & Development Expenditure for development of futuristic technologies		68.21		13.15	3.67	16.82	25.09	Funds have been utilized primarily towards purchase of raw materials, metals, components and devices, etc.	No comments	
3	Investment in Subsidiary(ies)		60.03		-	-	-		No comments.	No comments	
4	General Corporate Purposes		159.24		10.03	113.22	123.25	Refer details given in Heading 5 on Page 7.	No comments		
	Total		742.25	619.93	434.80	160.04	594.84	25.09	INR 25.09 Crs. have been deployed as Fixed Deposit.		

* The amount reflects the cost revision detailed in Section 4.1 (Cost of Object(s))

** Out of the total INR 742.25 Crs., the Company has received INR 619.93 Crs. till Q4 FY2025-26.

iii. Deployment of unutilised IPO/FPO/Rights Issue Proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested (INR Crs.)	Maturity date	Earning (INR Crs.)	Return on Investment (%)	Market Value as at the end of quarter (INR Crs.)
1	Fixed deposit with Bandhan Bank	25.09	21-04-2026	0.16	6.50	25.24

iv. Delay in implementation of the object(s): Not applicable

Object(s)	Completion date		Delay [Number of days or months]	Comments of the Issuer's Board of Directors	
	As per the offer document	Actual		Reason for delay	Proposed course of action
-	-	-	-		

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document

Sr. No.	Item Head	Amount (INR Crs.)	Source of information/certifications considered by Monitoring Agency for preparation of report	Comments of The Monitoring Agency	Comments of the Board of Directors
1	Loan to IDL Explosives Limited	75.00	Documents provided by the issuer including, Bank statements, Invoices, Statutory Auditor's Certificate, etc.	No comments.	No comments
2	Payment towards Land in Hardware Park	27.62			
3	Issue expenses	5.00			
4	Loan to Apollo Defence Industries Private Limited	3.17			
5	Purchase of assets	1.81			
6	Loan to Ananya SIP RF Technologies Private Limited	0.62			
Total		113.22			

Disclaimer:

Report Date: May 15, 2026

- a) This Report is prepared by Acuite Ratings & Research Limited (hereinafter referred to as "Monitoring Agency/MA"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors appointed by the Issuer believed by it to be accurate and reliable.
- c) Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.
- d) The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors, lawyers, chartered engineers or other experts, and relies on in its reports.
- e) The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.



About Acuite Ratings & Research

Acuite is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuite has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.