



**Independent Auditors' Report**

**To the Members of Apollo Microsystems Private Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Apollo Microsystems Private Limited**, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, and the Statement of Profit and Loss and Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

1. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements, that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

2. Our responsibility is to express an opinion on these financial statements based on our audit.
3. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected

depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

6. 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.

### Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure -A' a statement on the matters specified in paragraphs 3 and 4 of the Order.
9. As required by Section 143(3) of the Act, 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 purpose 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;
  - c. the financial statements dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
  - e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors

is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure -1
- g. 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, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (ii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For V Nagaraju & Associates  
Chartered Accountants  
Firm's Registration No.: 012862S  
  
CA V Nagaraju  
Proprietor  
Membership No.: 225081



Place: Hyderabad  
Date: 01.09.2016





**Annexure - A- to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets  
  
(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.  
  
(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 are held in the name of the Company.
- (ii) The Management has conducted physical verification of inventory (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (iii) The Company has not granted any loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly the provisions of sub clause (a), (b), & (C) of Paragraph 3 (iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax,

sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

- (viii) According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of loans or borrowings to financial institutions, banks or debenture holders. There were no loans or borrowings taken from the government during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential

allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For V Nagaraju & Associates  
Chartered Accountants  
Firm's Registration No. 012862S

  
CA V Nagaraju  
Proprietor

Membership No.: 225081

Place: Hyderabad  
Date: 01.09.2016



# Apollo Micro Systems Private Limited

## Significant Accounting Policies

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### A. CORPORATE INFORMATION

Apollo Microsystems Private Limited is incorporated in the state of Telangana, India. The Company is having the business of Manufacturing of Electronic control systems which are used in manufacture of Surface to Air Missile, Underwater Missile programmes, Radar, Jammer Systems, Avionic Systems, Ship Borne Systems, Gun Control Systems in Defense Applications. On-Board Systems, Telemetry Systems, Ground Receiving Stations for Space Applications.

### B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis for preparation of financial statement:

The financial statements have been prepared under the historical cost convention in accordance with the General Accepted Principles (GAAP) in India and the mandatory accounting standards & statements issued by the Institute of Chartered Accountants of India and the relevant provision of the Companies Act, 1956 as adopted consistently by the Company.

#### (b) Use of Estimates:

The preparation of financial statements is in conformity with generally accepted accounting principles require the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Significant estimates used by the management in the preparation of these financial statements include estimates of the economic useful lives of fixed assets and provisions for bad and doubtful debts. Any revision to accounting estimates is recognized prospectively.

#### (c) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured with reasonable certainty of its recovery.

- i) Sales of goods are recognised when the significant risk and rewards of ownership of the goods have been passed to the customer and net of Value added tax and return.
- ii) Income from services rendered is accounted for when the work is performed.
- iii) Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.



## Apollo Micro Systems Private Limited

### Significant Accounting Policies

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**(d) Expenditure.**

Expenditures are accounted for on accrual basis and provision is made for all known losses and liabilities.

**(e) Fixed Assets.**

Fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation. The cost of fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable costs related to the acquisition or construction of the respective assets. Expenses directly attributable to new manufacturing facility during its construction period are capitalized.

**Capital work-in-progress:** Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**(f) Intangible Assets**

Intangible assets are amortised over the period of the useful life of the rights and it begins when the asset is available for use. Intangible assets of infinite useful lives are not amortized but subject to impairment test, on an annual basis

Intangible assets are represented by non-monetary elements, identifiable and lacking physical consistency, controllable and capable of generating future economic benefits. These elements are recorded at purchase and/or production cost, inclusive of any directly attributable expenses for preparing the asset for use, net of accumulated amortisation and any impairment losses.

**(g) Depreciation.**

The Company has provided for depreciation using Written Down Value method over the useful life of the assets as prescribed under part C of Schedule II of the Companies Act, 2013.

**(h) Impairment of Fixed Assets**

i) The carrying amount of assets, other than inventories, is reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated.

ii) The impairment loss is recognised whenever the carrying amount of an asset or its cash generation unit exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in the uses which is determined based on the estimated future cash flow discounted to their present values. All impairment losses are recognised in the Statement of Profit and Loss.

iii) An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is recognised in the Statement of Profit and Loss.





## Apollo Micro Systems Private Limited

### Significant Accounting Policies

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**(i) Employee Benefits.**

Short-term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

**Defined contribution plan:** Company's contributions due/payable during the year towards provident fund is recognized in the profit and loss account. The Company has no obligation other than the contribution payable to the provident fund.

**(j) Taxation:**

Provision for Tax for the year comprises current Income Tax and Deferred Tax and is provided as per the Income Tax Act, 1961.

Deferred tax resulting from timing differences between the Book and the Tax Profits is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred Tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, Deferred Tax Assets are recognized only where there is a virtual certainty of realization of such assets. Deferred Tax Assets / Liabilities are reviewed as at each Balance Sheet date.

**(k) Cash And Cash Equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (within original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value

**(l) Cash Flow Statement:**

Cash flows are reported using the Indirect method, whereby net 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 payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the group are segregated. This is in accordance with the Accounting Standard -3 issued by the ICAI.

**(m) Provision, Contingent Liabilities and Contingent Assets**

Provision are recognised for when the company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably.



## Apollo Micro Systems Private Limited

### Significant Accounting Policies

Contingent liabilities being a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more future events not wholly in control of the company are not recognised in the accounts. The nature of such liabilities and an estimate of its financial effect are disclosed in notes to the Financial Statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

#### (n) Foreign currency transactions

The Company is exposed to currency fluctuations on foreign currency transactions. Foreign currency transactions are accounted in the books of account at the exchange rates prevailing on the date of transaction.

#### (o) Borrowing Costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

#### (p) Earnings Per Share:

The earnings considered in ascertaining the Earnings per Share comprise of Net Profit after Tax. The number of Shares used in computing Basic Earnings Per Share is the Weighted Average of shares outstanding during the year, as per AS - 20.

For V.Nagaraju & Associates.,  
Chartered Accountants  
FRNo: 0128625

  
CA.V.Nagaraju  
Proprietor

Membership No : 225081

Place: Hyderabad

Date : 01.09.2016

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



Managing Director



Director



## Apollo Micro Systems Private Limited

### Significant Accounting Policies

#### 23. Managerial Remuneration:

The key management personnel comprise our directors. Particulars of Remuneration and other benefits provided to key management personnel is given below:

(Amount in Rupees)

Particulars	Year Ended 31 March	
	2016	2015
Remuneration	36,00,000	36,00,000
Perquisites & Allowances	Nil	Nil
<b>Total</b>	<b>36,00,000</b>	<b>36,00,000</b>

#### 24. Auditor's Remuneration:

(Amount in Rupees)

Particulars	Year ended March 31,	
	2016	2015
Statutory Audit Fees	2,00,000	2,00,000
Tax Audit Fee	1,00,000	1,00,000
<b>Total</b>	<b>3,00,000</b>	<b>3,00,000</b>

#### 25. Earnings Per Share:

(Amount in Rupees)

Particulars	Year Ended March 31,	
	2016	2015
Profits Attributable to Equity Share Holders	12,91,61,245	8,02,20,166
Weighted Average No. of Shares for the year ended	13711700	13711700
Earnings per Share - Basic	9.42	5.81
Earnings per Share - Diluted	9.42	5.81





## Apollo Micro Systems Private Limited

### Significant Accounting Policies

26. Related Parties Transactions - As per Accounting Standard 18, disclosures of transactions with related parties as defined in the accounting standard are given below.

List of related parties where control exists and related parties with whom transactions have taken place and relationship (as identified by the Management):-

S.NO	Name of the Related Party	Nature of Relationship
1	B. Karunakar Reddy	Managing Director
2	CH.V S Prasad	Director
3	A.Krishna Sai Kumar	Director
5	V.Srilakshmi Reddy	Director

Transactions entered during the year with related parties.

S.NO	Particulars	At the year ended 31.03.2016
1	Loans From Directors & Relatives	Nil
2	Rent - B.Karunakar Reddy	Rs. 5,84,000

27. Contingent Liabilities & Commitments ( to the Extent not Provided for)

#### Contingent Liabilities

S.No	Particulars	As at 31.03.2016
1	Outstanding Guarantee's and Counter guarantee's to various Banks, in respect of the guarantees given by those banks in favour of various Govt. Authorities and Others	Rs.25.90Crores
2	Claims against the Company not acknowledged as debt	--

28. Due to Small Scale Industries:

As per the information available with the Company, no amount is due to any Small Scale Industrial Undertaking in excess of Rs.1.00 Lakhs.



## Apollo Micro Systems Private Limited

### Significant Accounting Policies

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#### 28. Confirmation of Closing Balances:

The balances of Sundry Debtors, Sundry Creditors, Loans and advances payable or receivable are taken as per books and they are subject to confirmation and reconciliation as the confirmation are awaited.

#### 29. Figures of previous year have been regrouped, rearranged and recited, wherever considered necessary.

For V.Nagaraju & Associates.,  
Chartered Accountants  
FRNo: 012862S

*N. Nagaraju*  
CA.V.Nagaraju

Proprietor

Membership No: 225081

Place: Hyderabad

Date: 01.09.2016



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

*[Signature]*

Managing Director

*[Signature]*

Director



# Apollo Micro Systems Private Limited

# Vaishnavi Complex, 1st Floor, Steel No.No:6, Habsiguda, Hyderabad-500007

Balance Sheet as at 31st March, 2016

Particulars	Note No	AS AT 31/03/2016	AS AT 31/03/2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	137,117,000	137,117,000
(b) Reserves and Surplus	3	358,602,014	233,480,964
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	96,094,497	129,147,358
(b) Deferred tax liabilities (Net)	5	6,542,159	3,647,666
(c) Other Long term liabilities	6	131,890,405	76,674,378
(d) Long term provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	7	545,582,597	386,696,591
(b) Trade payables	8	684,905,368	333,043,130
(c) Other current liabilities	9	15,553,889	15,226,780
(d) Short-term provisions	10	17,074,159	43,773,015
<b>Total</b>		<b>1,993,362,088</b>	<b>1,328,806,882</b>
<b>II. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	11		
(i) Tangible assets		312,546,659	243,481,590
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
<b>(2) Current assets</b>			
(a) Current investments	12	726,002,433	424,630,241
(b) Inventories	13	857,913,333	595,130,877
(c) Trade receivables	14	842,761	230,619
(d) Cash and cash equivalents	15	93,873,331	64,563,909
(e) Short-term loans and advances	16	2,183,570	769,546
(f) Other current assets		-	-
<b>Total</b>		<b>1,993,362,088</b>	<b>1,328,806,882</b>
<b>Significant Accounting Policies</b>	1		

Notes referred to above form an integral part of Balance Sheet

This is the Balance Sheet referred to in our Report of even date.

For V. Nagaraju & Associates  
Chartered Accountants  
FRNo: 012862S

N. Nagaraju  
CA.V.Nagaraju  
M.No 225081



Apollo Micro Systems Private Limited

B.Karunakar Reddy  
Managing Director  
DIN: 00790139

A.K.Sai Kumar  
Director  
DIN: 03601692



PLACE: HYDERABAD  
DATE: 01.09.2016



Apollo Micro Systems Private Limited  
# Vaishnavi Complex, 1st Floor, Steet No.No:6, Habsiguda, Hyderabad-500007  
Profit and Loss statement for the year ended 31st March, 2016

Particulars	Note No	For the Period 31/03/2016	For the Period 31/03/2015
I. Revenue from operations	17	1,579,148,852	1,081,529,555
II. Other Income	18	16,169,002	6,153,333
<b>III. Total Revenue (I + II)</b>		<b>1,595,317,854</b>	<b>1,087,682,888</b>
<u>IV. Expenses:</u>			
Cost of materials consumed	19	1,440,772,767	877,706,131
Purchase of Stock-in-Trade			-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(285,697,947)	(121,837,022)
Employee benefit expense	20	68,452,935	64,411,761
Financial costs	21	81,436,795	51,121,542
Depreciation and amortization expense	22	27,237,059	39,430,848
Other expenses	23	113,986,348	82,134,049
<b>Total Expenses</b>		<b>1,446,187,957</b>	<b>992,967,309</b>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	149,129,897	94,715,580
VI. Exceptional Items			-
VII. Profit before extraordinary items and tax (V - VI)		149,129,897	94,715,580
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		149,129,897	94,715,580
X. Tax expense:			
(1) Current tax		17,074,159	14,078,251
(2) Deferred tax		(2,894,493)	(908,425)
XI. Profit(Loss) from the perid from continuing operations	(VII-VIII)	129,161,245	79,728,903
XII. Profit/(Loss) from discontinuing operations			-
XIII. Tax expense of discounting operations			-
XIV. Profit/(Loss) from Discontinuing operations (XII - XIII)			-
XV. Profit/(Loss) for the period (XI + XIV)		129,161,245	79,728,903
XVI. Earning per equity share:			
(1) Basic		9.42	5.81
(2) Diluted		9.42	5.81

Significant Accounting Policies 1  
Notes referred to above form an integral part of Balance Sheet  
This is the Balance Sheet referred to in our Report of even date.

For V. Nagaraju & Associates  
Chartered Accountants

FRNo: 0128625

V. Nagaraju  
Firm Reg No. 0128625  
CA.V.Nagaraju  
M.No 225081

PLACE: HYDERABAD  
DATE: 01.09.2016

Apollo Micro Systems Private Limited

B.Karunakar Reddy  
Managing Director  
DIN: 00790139

A.K.Sai Kumar  
Director  
DIN: 03601892

## Apollo Micro Systems Private Limited

Notes to financial statements for the year ended March 31, 2016

### 2. Share capital

Particulars	As at 31-03-2016	As at 03-2015
<b>Authorised shares</b>		
1,40,00,000 equity shares of Rs. 10/- each.	140,000,000	140,000,000
	140,000,000	140,000,000
<b>Issued, subscribed and fully paid-up shares</b>		
13711700 equity shares of Rs.10/- each fully paid up	137,117,000	137,117,000
Previous Year 13711700 Shares	137,117,000	137,117,000

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

Particulars	As at 31-03-2016	As at 03-2015
	No.of Shares	No.of Shares
<b>Equity shares of Rs.10/- each fully paid up</b>		
At the beginning of the year	13,711,700	6,465,200
Issued during the Year	-	7,246,500
At the ending of the Year	13,711,700	13,711,700

#### (b) Details of Shareholder holding more than 5% shares of the company:

Particulars	As at 31-03-2016	As at 03-2015
	% holding	% holding
<b>Equity shares of Rs.10/- each fully paid</b>		
B.Karunakar Reddy C.Y-13271690, PY-13271690	96.79%	96.79%



Notes Forming Integral Part of the Balance Sheet as at 31st MARCH, 2016

Note : 3 RESERVES AND SURPLUS

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
I	<b>Surplus in the statement of profit and loss</b>		
	Balance, at the beginning of the year	233,480,964	155,149,570
	Profit / (loss) for the year	129,161,245	79,728,903
	Less: Earlier year taxes-Interest	4,040,195	1,397,509
	<b>Total</b>	<b>358,602,014</b>	<b>233,480,964</b>

Note : 4 LONG TERM BORROWINGS

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
I	<b>Secured Loans from Banks:</b>		
	Term Loan from SBH-62299546831	67,495,484	88,239,059
	Term Loan from SBH-62383218858	6,936,054	28,456,073
	Term Loan from SBH-62149028834	-	89,517
	Term Loan from SBH-62218539104	-	2,341,838
II	<b>Unsecured - Others</b>		
	Others	15,732,539	2,320,432
	From Directors	5,929,820	7,700,439
	<b>Total</b>	<b>96,094,497</b>	<b>129,147,358</b>

Note : 5 DEFERRED TAX LIABILITIES (NET)

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
I	Depreciation accounted in the books of account	27,237,059	39,430,848
	Preliminary Expenses debited to P&L	-	-
	Depreciation allowed as per provisions of the Income Tax Act	36,158,289	42,230,741
	Preliminary Expenses Allowed as per Income Tax Act	-	-
		(8,921,230)	(2,799,893)
	Timing Difference	(8,921,230)	(2,799,893)
	Operating Timing Difference	-	-
	Deferred tax @ 32.445%	(2,894,493)	(908,425)
	Deferred Tax Liability as on 01-04-2015	3,647,666	2,739,241
	Add: Deferred Tax Liability For the year 2015-16	2,894,493	908,425
	Less: Deferred Tax Asset for the year 2015-16	-	-
	<b>Total</b>	<b>6,542,159</b>	<b>3,647,666</b>

Note : 6 OTHER LONG TERM LIABILITIES

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Creditors for Capital Goods	105,129,827	76,674,378
2	Advance from Customers-Long Term contracts	26,760,578	-
	<b>Total</b>	<b>131,890,405</b>	<b>76,674,378</b>

Note : 7 SHORT TERM BORROWINGS

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Over draft from State Bank of Hyderabad (secured)**	315,369,880	296,608,914
2	Loan from NSIC (Raw Material Assistance)	49,146,959	39,893,533
3	Installments of Term Loans Repayable with in one year	61,574,598	50,193,844
4	ICICI bank	119,491,160	-
	<b>Total</b>	<b>545,582,597</b>	<b>386,696,591</b>

\*\* Secured by hypothecation of Inventories, Assignment of Book Debts, E.M. of Land & Building and along with the personal guarantee given by the directors.



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Notes Forming Integral Part of the Balance Sheet as at 31st MARCH, 2016

Note : 8 TRADE PAYABLES

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Trade payable	684,905,368	333,043,130
	<b>Total</b>	<b>684,905,368</b>	<b>333,043,130</b>

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amounts unpaid as at the year end together with interest paid/payable under this Act, have not been given. The same has been relied upon by the Auditors

Note : 9 OTHER CURRENT LIABILITIES

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Other statutory dues	3,386,295	2,785,740
2	Non trade payables	7,892,667	4,226,040
3	Advance from Customers	4,274,927	8,215,000
	<b>Total</b>	<b>15,553,889</b>	<b>15,226,780</b>

Note : 10 SHORT TERM PROVISIONS

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Provision for Income Tax	17,074,159	13,773,015
	<b>Total</b>	<b>17,074,159</b>	<b>13,773,015</b>

Note : 12 INVENTORIES

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Raw material and stores at cost	285,954,881	270,280,650
2	Work In Process (at estimated Cost)	396,459,169	144,774,605
3	Finished Stock ((at lower of Cost or Market Value)	43,588,383	9,575,000
	<b>Total</b>	<b>726,002,433</b>	<b>424,630,241</b>

Note : 13 TRADE RECEIVABLE

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Unsecured, considered good unless stated otherwise: Outstanding for a period exceeding six months from the date they are due for payment	38,327,011	563,852
2	Other receivables Unsecured, considered good	819,586,322	594,567,025
	<b>Total</b>	<b>857,913,333</b>	<b>595,130,877</b>



Note : 14 CASH & BANK BALANCES

Note : 15 SHORT-TERM LOANS AND ADVANCES

Note : 16 OTHER CURRENT ASSETS


  
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Notes Forming Integral Part of the P & L A/C for the Year end 31st MARCH, 2016

Note : 17 Revenue from Operations

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Gross Sales	1,581,212,409	1,081,851,047
	Less: Excise Duty	2,063,557	321,492
	<b>Total</b>	<b>1,579,148,852</b>	<b>1,081,529,555</b>

Note : 18 Other Income

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Other Income	4,869,356	351,4139
2	Service Income	11,299,646	2639194
	<b>Total</b>	<b>16,169,002</b>	<b>6,153,333</b>

Note : 19 Cost Of Materials Consumed

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
	Opening Stock	270,280,636	195,103,350
	Add: Purchases	1,456,447,012	952,883,417
	Raw Material Consumed	1,726,727,648	1,147,986,767
	Less: Closing Stock	285,954,881	270,280,636
	<b>Total</b>	<b>1,440,772,767</b>	<b>877,706,131</b>

Note : 20 Employees Benefits Expense

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Salaries, wages and bonus	67,929,932	63,967,911
2	Contribution to provident and other fund	116,535	110,974
3	Staff Welfare	406,468	332,876
	<b>Total</b>	<b>68,452,935</b>	<b>64,411,761</b>

Note : 21 Financial Costs

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Interest:		
	Interest on Overdraft	39,345,301	30,451,477
	Interest on Term Loan	18,423,993	12,011,137
	Interest on Unsecured Loans	12,983,505	1,474,222
2	Financial Charges	10,683,996	7,184,706
	<b>Total</b>	<b>81,436,795</b>	<b>51,121,542</b>



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Notes Forming Integral Part of the P & L A/C for the Year end 31st MARCH, 2016

Note : 22 Depreciation and amortization expense

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Depreciation	27,237,059	39,430,848
2	Preliminary Expense Written off		-
	<b>Total</b>	<b>27,237,059</b>	<b>39,430,848</b>

Note : 23 Other Expenses

S.No	Particulars	As at 31-03-2016	As at 31-03-2015
1	Consumables	1,587,608	1,803,086
2	Software Development	-	299,700
3	Books & Periodicals	195,620	202,297
4	Consultancy Charges	1,363,507	815,750
5	Computer Maintenance	165,480	115,127
6	Insurance	778,273	443,116
7	Printing & Stationary	783,956	1,214,600
8	Travelling	3,188,911	3,973,805
9	Conveyance	1,331,176	1,328,594
10	Postage & Courier Charges	322,445	411,241
11	Power and Fuel	1,863,318	2,106,879
12	Directors remuneration	3,600,000	3,600,000
13	General Expenses	1,434,791	801,447
14	Audit Fees	300,000	300,000
15	Rates & Taxes	574,395	133,044
16	Sales Tax Paid	78,574,321	54,317,700
17	Service Tax Paid	1,373,904	290,321
18	Business Promotion Expenses	2,570,369	1,626,478
19	Repairs & Maintenance	1,229,235	661,406
20	Office Miantenance	1,100,035	1,293,836
21	Rent	864,000	591,000
22	Vehicle Maintenance	857,910	571,841
23	Internet Charges	75,820	65,580
24	Telephone Charges	722,687	515,534
25	Tender Expenses	62,250	900,648
26	Testing Charges	975,122	314,423
27	Water Charges	710,786	497,158
28	Foreign Exchange Loss	235,036	408,301
29	Freight	1,309,889	609,079
30	ROC Expenses	-	490,340
31	Advertisement Charges	1,589,000	1,431,717
32	Jobwork charges	3,826,755	-
33	Security Charges	419,749	-
	<b>Total</b>	<b>113,986,348</b>	<b>82,134,049</b>



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Apollo Micro Systems Private Limited

FIXED ASSETS STATEMENT AS PER COMPANIES ACT 2013

Note :11 Fixed Asset

Sr. No	Particulars	Gross Block					Depreciation			Net Block	
		Value at the beginning	Additions (Before 3 Oct)	Additions (After 3 Oct)	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Value at the end	WDV as on 01-04-2015	WDV as on 31.03.2016
I	<b>Tangible Assets</b>										
	Land at Mallapur	15,085,175			-	15,085,175	-	-	-	15,085,175	15,085,175
	Plant & Machinery	47,052,953			-	47,052,953	10,973,990	5,484,685	16,458,675	36,078,963	30,594,278
	Vehicles	3,107,321		3,470,000	-	6,577,321	3,017,647	398,590	3,416,237	89,674	3,161,084
	Tools & Equipments	67,016,387		72,228	-	67,088,615	17,422,014	8,515,523	25,937,537	49,594,373	41,151,078
	Furniture & Fixtures	7,876,958		103,050	-	7,980,008	3,729,879	891,723	4,621,602	4,147,079	3,358,406
	Computers & Software	17,856,266	348,310	2,213,260	-	20,417,836	15,117,431	346,880	15,864,311	2,338,835	4,553,525
	Office Equipments	1,399,592		2,843,904	-	4,443,496	1,103,791	353,214	1,457,005	495,801	2,986,491
	Building	125,441,425		759,009	-	126,191,425	11,031,182	9,817,001	21,738,183	113,520,243	104,453,242
	Electrical Fittings	10,053,070			-	10,053,070	2,602,394	1,429,443	4,033,837	7,450,676	6,021,233
II	<b>Intangible Assets</b>										
III	<b>R&amp;D Expenditure</b>	14,680,872		86,501,276	-	101,182,148	-	-	-	14,680,872	101,182,148
	<b>Total [A + B + C + D]</b>	<b>309,770,018</b>	<b>348,310</b>	<b>95,953,718</b>	<b>-</b>	<b>406,072,046</b>	<b>66,288,328</b>	<b>27,237,059</b>	<b>93,525,387</b>	<b>243,481,690</b>	<b>312,546,659</b>



DEPRECIATION AS PER INCOME TAX ACT :

Name of the Asset	WDV as on 01.04.2015	Deletions During the Year	Additions		TOTAL	Rate %	Depreciation	Additional Depreciation	WDV as on 31.03.2016
			Before 03.10.2015	After 03.10.2015					
<b>Tangible Assets</b>									
Land at Mallapur	15,085,175	-	-	-	15,085,175	0%	-	-	15,085,175
Tools & Equipment	39,018,506	-	-	72,228	39,090,734	15%	5,858,193	7,223	33,232,541
Furniture & Fixtures	5,240,390	-	-	103,050	5,343,440	10%	529,192	-	4,814,249
Plant & Machinery	43,274,479	-	-	-	43,274,479	15%	6,491,172	-	36,783,307
Testing Tools & Equipments	16,052,931	-	-	-	16,052,931	30%	4,815,879	-	11,237,052
Interior Decoration	748,866	-	-	-	748,866	15%	112,330	-	636,536
Electrical Fittings	10,071,023	-	-	-	10,071,023	15%	1,510,653	-	8,560,370
Office Equipment	767,398	-	-	2,843,904	3,611,302	15%	328,403	-	3,282,900
Controlled Soldering station	2,684	-	-	-	2,684	15%	403	-	2,281
Air Conditioner	641,465	-	-	-	641,465	15%	96,220	-	545,245
Vehicles	643,956	-	-	3,470,000	4,113,956	15%	356,843	-	3,757,113
Xerox Machine	22,481	-	-	-	22,481	15%	3,372	-	19,109
Computers	4,323,000	-	348,310	2,213,260	6,884,570	60%	3,466,764	-	3,417,806
Buildings	125,441,425	-	-	750,000	126,191,425	10%	12,581,643	-	113,609,783
R& D Expenditure	14,680,870	-	-	86,501,276	101,182,146	0%	-	-	101,182,146
	-	-	-	-	-				-
<b>TOTAL</b>	<b>276,014,650</b>	<b>-</b>	<b>348,310</b>	<b>95,953,718</b>	<b>372,316,677</b>		<b>36,151,066</b>	<b>7,223</b>	<b>336,165,611</b>



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