

APOLLO MICRO SYSTEMS LIMITED

(Was Private Limited Company until March 31, 2017. Converted to Limited Company w.e.f. April 1, 2017)

CIN U72200TG1997PLC026556

TWENTIETH ANNUAL REPORT

Financial Year: 2016 - 17

BOARD OF DIRECTORS:

Karunakar Reddy Baddam	-	Managing Director
Sri Lakshmi Reddy Vangeti	-	Director
Krishna Sai Kumar Addepalli	-	Director
Venkata Siva Prasad Chandrapati	-	Director

Chief Financial Officer : Sudarshan Chiluveru

Company Secretary : Chaitanya Siva Shankar Vitta

REGISTERED OFFICE : Plot No 128/A, Road No. 12, BEL Road IDA Mallapur, Uppal Mandal, Hyderabad, Rangareddy Telangana – 500076
(upto 2nd April 2017, the registered office of the Company was situated at Vaishanavi Complex, 1st Floor, Street No.6, Habsiguda, Hyderabad – 500 007)

Email : cs@apollo-micro.com

Phone : 91 40 27167000

CIN : U72200TG1997PLC026556

AUDITORS : M/s. S T Mohite & Co.,
Chartered Accountants,
G-5/B, Paragon Venkatadri Apts, Street No.1, Barkatpura,
Hyderabad - 500029.

Committees of the Board : Corporate Social Responsibility Committee:
- Mr. Karunakar Reddy Baddam, Chairman
- Mrs. Sri Lakshmi Reddy Vangeti, Member
- Mr. Krishna Sai Kumar Addepalli, Member

Bankers to the Company : 1. State Bank of India
2. ICICI Bank Limited
3. RBL Bank Limited

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NOTICE

Notice is hereby given that the TWENTIETH (20th) Annual General Meeting of the Members of **APOLLO MICRO SYSTEMS LIMITED** will be held on **Monday the 21st day of August, 2017**, at 03:00 P.M. at the Registered Office of the Company situated at Plot No 128/A, Road No. 12, BEL Road IDA Mallapur, Uppal Mandal, Hyderabad, Rangareddy, Telangana 500076; to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited financial statements of the Company for the financial year ended 31st March 2017, including the audited Balance Sheet as at 31st March 2017 and the Statement of Profit and Loss account and statement of cash flows of the Company for the year, along with the reports of the Auditors and Board of Directors thereon.
2. To appoint a director in place of Mr. Venkata Siva Prasad Chandrapati (DIN: 03601703), who retires by rotation and being eligible offers himself for reappointment.

"RESOLVED THAT Mr. Venkata Siva Prasad Chandrapati (DIN: 03601703) who retires by rotation at this Annual General Meeting be and is hereby re-appointed as a Director of the Company and that his period of office be liable to determination by retirement of Directors by rotation."

3. To appoint and fix remuneration of the Statutory Auditors:

RESOLVED THAT pursuant to the provisions of Section 139 and 141 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, M/s. S T Mohite & Co. (FRN 011410S), Chartered Accountants, be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of the ensuing annual general meeting until the conclusion of the annual general meeting to be held in the financial year 2021-22 (subject to ratification at every annual general meeting) on a remuneration as may be agreed upon by the Board of Directors of the Company and the Auditor.

RESOLVED FURTHER THAT Mr. Karunakar Reddy Baddam, Managing Director or Mr. Chaitanya Siva Shankar Vitta, Company Secretary are hereby authorized jointly or severally to give intimation of the appointment to the auditors so appointed and to the Registrar of Companies in such manner as may be prescribed.

SPECIAL BUSINESS:

4. To increase of authorised share capital of the Company

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 61, Section 64, Section 13 and Rules made there under and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) read with the enabling provisions of the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from the existing Rs. 20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crore) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs. 27,00,00,000/- (Rupees Twenty Seven Crores Only) divided into 2,70,00,000/- (Rupees Two Crores Seventy Lakhs Only) Equity Shares of Rs.10/- (Rupees Ten Only) each by the addition there to a sum of Rs. 7,00,00,000/- (Rupees Seven Crores Only) divided into 70,00,000 (Seventy Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each ranking pari-passu in all respects with the existing shares of the Company.

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5. To alter the Capital Clause in Memorandum of Association

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 61, Section 64, Section 13 and Rules made there under and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) read with the enabling provisions of the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to modify the Clause V of Memorandum of Association as under

“V. The Authorized Shares Capital of the Company is Rs.27,00,00,000/-(Rupees Twenty Seven Crores Only) divided into 2,70,00,000 (Two Crores Seventy Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each with a right to issue shares for consideration other than cash and to increase and reduce the capital and to divide or consolidate or cancel the shares in the capital for the time being into several classes and attach thereto respectively such rights and conditions in any manner the Board of Directors may deem fit from time to time.”

6. To reappoint Mr. Karunakar Reddy Baddam (DIN: 00790139) as Managing Director of the Company and to revise his salary:

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 Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to such other approvals, as may be necessary, consent of the Members be and is hereby accorded for appointment of Mr. Karunakar Reddy Baddam [DIN: 00790139] as the Managing Director & Key Managerial Person, of the Company for a period and upon the following terms and conditions including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as “**the Board**” which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr. Karunakar Reddy Baddam in the best interests of the Company and as may be permissible at law, viz.:

Period : 5 years w.e.f. 1st April, 2017

Remuneration : a salary of Rs. 5,00,000/- (Rupees Five Lakhs only) per month with such increments as the Board may decide from time to time subject to maximum limits as specified in section 197 of the Act.

Performance Bonus : 5% of profits of the Company calculated as per the provisions of Section 198 of the Act.

Perquisites : In addition to the above, he shall be entitled to the following perquisites:

- Medical Insurance: As provided by the company group mediclaim policy, insurance coverage up to a maximum of Rs.5,00,000/- per annum.
- Personal Accident Insurance: As per Company's policy
- The Company's contribution to provident fund, superannuation fund or annuity fund shall be in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961
- Gratuity as per the Gratuity Act, 1972

Registered Office: Plot No 128/A, Road No. 12, BEL Road IDA Mallapur, Uppal Mandal
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- e) He is also eligible for One month's leave with full pay and allowance for every eleven months of service. Leave accumulated but not availed in the previous financial year will be carried forward to next financial year.
- f) Reimbursement of reasonable entertainment and other expenses actually and properly incurred in connection with the business of the Company.
- g) Mr Karunakar Reddy Baddam, so long as he functions as the Managing Director of the Company, shall not be entitled to receive any fee for attending any meeting of the Board or Committees thereof.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

“RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary and other benefits to Mr Karunakar Reddy Baddam shall always be within the overall ceiling laid down in Section 197 and Schedule V and other applicable provisions of the Act.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, in any financial year during the tenure of Managing Director's Salary, perquisites and other allowances as specified above are payable as minimum remuneration.”

7. To appoint Mr. Venkata Siva Prasad Chandrapati (DIN: 03601703), as Whole Time Director (Technical) of the Company and to revise his remuneration:

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 196, 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), (**“the Act”**), applicable clauses of the Articles of Association of the Company, approval of the Company be and is hereby accorded to appoint Mr. Venkata Siva Prasad Chandrapati, as Whole Time Director (Technical) of the Company, on the terms and conditions including remuneration as mentioned below:

Salary : Rs. 2,00,000/- (Rupees Two Lakhs only) per month.

Perquisites : In addition to the above, he shall be entitled to the following perquisites:

- a) Medical Insurance: As provided by the company group mediclaim policy, insurance coverage up to a maximum of Rs.5,00,000/- per annum.
- b) Personal Accident Insurance: As per Company's policy
- c) The Company's contribution to provident fund, superannuation fund or annuity fund shall be in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961
- d) Gratuity as per the Gratuity Act, 1972
- e) He is also eligible for One month's leave with full pay and allowance for every eleven months of service. Leave accumulated but not availed in the previous financial year will be carried forward to next financial year.
- f) Reimbursement of reasonable entertainment and other expenses actually and properly incurred in connection with the business of the Company.
- g) Mr Venkata Siva Prasad Chandrapati , so long as he functions as the Director of the Company, shall not be entitled to receive any fee for attending any meeting of the Board or Committee thereof.

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“RESOLVED FURTHER THAT the Board of Director’s be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

“RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary and other benefits to Mr. Venkata Siva Prasad Chandrapati shall always be within the overall ceiling laid down in Section 197 and Schedule V and other applicable provisions of the Act.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, in any financial year during the tenure of Director’s Salary, perquisites and other allowances as specified above are payable as minimum remuneration.”

8. To appoint Mr Krishna Sai Kumar Addepalli (DIN: 03601692), as Whole Time Director (Operations) of the Company and to revise his remuneration:

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 197 read with Part I and Section I of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof), (**“the Act”**), applicable clauses of the Articles of Association of the Company, approval of the Company be and is hereby accorded to appoint Mr. Krishna Sai Kumar Addepalli, as Whole Time Director (Operations) of the Company, on the terms and conditions including remuneration as mentioned below:

Salary : Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) per month.

Perquisites : In addition to the above, he shall be entitled to the following perquisites:

- a) Medical Insurance: As provided by the company group mediclaim policy, insurance coverage up to a maximum of Rs.5,00,000/- per annum.
- b) Personal Accident Insurance: As per Company’s policy
- c) The Company’s contribution to provident fund, superannuation fund or annuity fund shall be in accordance with the rules and regulations of the Company. Such contribution will not be included in the computation of the ceiling on perquisites to the extent either singly or put together are not taxable under the Income Tax Act, 1961
- d) Gratuity as per the Gratuity Act, 1972
- e) He is also eligible for One month’s leave with full pay and allowance for every eleven months of service. Leave accumulated but not availed in the previous financial year will be carried forward to next financial year.
- f) Reimbursement of reasonable entertainment and other expenses actually and properly incurred in connection with the business of the Company.
- g) Mr Krishna Sai Kumar Addepalli, so long as he functions as the Director of the Company, shall not be entitled to receive any fee for attending any meeting of the Board or Committee thereof.

“RESOLVED FURTHER THAT the Board of Director’s be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this resolution.”

“RESOLVED FURTHER THAT the aggregate remuneration inclusive of salary and other benefits to Mr Krishna Sai Kumar Addepalli shall always be within the overall ceiling laid down in Section 197 and Schedule V and other applicable provisions of the Act.”

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profits, in any financial year during the tenure of Director’s Salary, perquisites and other allowances as specified above are payable as minimum remuneration.”

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9. To appoint Mr. Raghupathy Goud Theegala as Independent Director.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Raghupathy Goud Theegala, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 21st August, 2017 up to 20th August, 2022.

10. To appoint Mr. Srinivas Pagadala as Independent Director.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof) read with Schedule IV to the Companies Act, 2013, Mr. Srinivas Pagadala, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years from 21st August, 2017 up to 20th August, 2022.

11. To grant Approval to the Initial Public Offering (IPO) by the Company:

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

RESOLVED THAT, in accordance with the provisions of Section 62(1)(c) and any other applicable provisions, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force), (**"the Act"**), including the rules framed thereunder, relevant provisions of the Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 or denotified, as the case may be, the Securities Contracts Regulation Act, 1956, as amended (**"SCRA"**), and the rules framed thereunder, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) 2009, as amended, (**"SEBI ICDR Regulations"**) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**"SEBI LODR Regulations"**) and other applicable Securities and Exchange Board of India (**"SEBI"**) regulations and guidelines, other applicable laws, regulations, policies or guidelines including any foreign investment law, policy or guideline in India, and the provisions of the Memorandum of Association of the Company and Articles of Association of the Company and subject to the approval of relevant government, statutory and/or regulatory authorities, as required, including the Department of Industrial Policy and Promotion, Government of India (**"DIPP"**), the **SEBI**, the Reserve Bank of India (**"RBI"**), the Registrar of Companies, Hyderabad, Andhra Pradesh and Telangana (**"RoC"**), the relevant stock exchanges and such other approvals, permissions and sanctions, as may be necessary, including any consent or approval under any contract or agreement and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, the consent, approval and sanction of the shareholders of the Company be and is hereby granted to create, offer, issue and allot upto fresh equity shares of the Company (the "Equity Shares"), having a face value Rs. 10 each at a premium as may be decided by the Board of Directors in consultation with the Book Running Lead Manager to the Issue for an aggregate amount not exceeding Rs. 200,00,00,000/-, in the course of an initial public offering (**"IPO"**) (provided that such number of additional equity shares to the extent of up to 10% of the Offer to the public may be issued and allotted as may be required for the purposes of rounding off, including the issue and allotment of equity shares of the stabilizing agent pursuant to the green shoe option, if any, in terms of the SEBI ICDR Regulations, which may include, without limitation, fresh Equity Shares issued and allotted in any private placement, reservation of a certain number of Equity Shares, and any green shoe option of up to a certain number of Equity Shares to eligible investors, including employees, Non-resident Indians, Foreign

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Portfolio Investors ("FPIs"), Alternate Investment Funds, Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Public Financial Institutions, multilateral and bilateral financial institutions, bodies corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof, or any other category of investors who are authorised to invest in equity shares of the Company as per applicable law through an offer document, prospectus and/or an information memorandum, if any, at such price or prices (including any discount to the issue price which may be offered to eligible investors) and in such manner as the Board may in its discretion, deem fit, including in consultation with book running lead managers, underwriters, placement agents and/or other advisors on such terms as may be deemed appropriate by the Board.

RESOLVED FURTHER THAT the Board is hereby authorized to make available for allocation a portion of the IPO to eligible employees or to provide a discount to the issue price to retail individual bidders or eligible employees (the "Discount"); and to take any and all actions in connection with any Reservation or Discount as the Board may think fit or proper in its absolute discretion, including, without limitation, to negotiate, finalize and execute any document or agreement, and any amendments, supplements, notices or corrigenda thereto; seek any consent or approval required or necessary; give directions or instructions and do all such acts, deeds, matters and things as the Board may, from time to time, in its absolute discretion, think necessary, appropriate, or desirable; and settle any question, difficulty, or doubt that may arise with regard to or in relation to the foregoing.

RESOLVED FURTHER THAT the Equity Shares so allotted or transferred in the IPO shall be subject to the Memorandum of Association and the Articles of Association of the Company and shall rank pari passu in all respects with the existing equity shares of the Company.

RESOLVED FURTHER THAT the equity shares of the Company issued through the IPO be listed at one or more recognized stock exchanges in India.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred in such manner as it may deem fit to an IPO Committee, to be constituted in accordance with the Articles of Association of the Company.

RESOLVED FURTHER THAT the certified copies of this resolution be provided to those concerned under the hands of a Director or Company Secretary of the Company wherever required.

By order of Board of Directors
For APOLLO MICRO SYSTEMS LIMITED



Place: Hyderabad
Date: 11.08.2017


KARUNAKAR REDDY BADDAM
Managing Director (DIN 00790139)

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy/proxies to attend and vote on poll instead of him/her and such proxy need not be a member of the Company.
2. Proxies to be effective must be deposited at the registered office of the Company not later than 48 hours before commencement of the meeting.
3. Members are requested to intimate any change in their registered addresses to the Company at its registered office immediately.

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Explanatory Statement

[Pursuant to Sec. 102 of the Companies Act, 2013]

Item # 4 & 5: Increase of Authorised Share Capital and Alteration of Memorandum of Association of the Company

To meet the requirements of growing business, it has necessitated increasing the authorised share capital of the Company by infusion of more Capital into the Company. The present Authorized Share Capital stands at Rs. 20.00 Crores only and it is proposed to increase the same by Rs. 7.00 Crores to make it Rs 27.00 Crores.

Pursuant to Section 61 of the Companies Act, 2013 increase of authorised share capital requires the approval of the members by way of ordinary resolution.

Hence these two resolutions are placed before the Members for their approval as ordinary resolution.

None of the directors, managers, key managerial personnel, and relatives of the directors, managers, key managerial personnel is interested or concerned either directly or indirectly in the above resolution.

Item #6: Appointment of Mr. Karunakar Reddy Baddam as Managing Director and to revise remuneration

Mr. Karunakar Reddy Baddam was appointed as Managing Director of the Company since incorporation. Pursuant to conversion of the Company in to public limited company with effect from 1st April, 2017, the company will come under the provisions of Section 196, 197, 198 and 203.

In the view of applicability of the above provisions and on the basis of the Mr. Karunakar Reddy Baddam's experience in handling the affairs of the company for past two decades, it is proposed to reappoint him as managing director. Further, Mr. Karunakar Reddy Baddam was re-designated as Key Managerial Personnel of the Company as per Section 203 of the Companies Act, 2013.

With respect to his appointment as Managing Director and Key Managerial person, and on recommendations received from the Nomination and Remuneration Committee, the remuneration has been revised and the same is stated in the resolution above.

The Board recommends the resolution to be passed as Special resolution.

Except Mr. Karunakar Reddy Baddam, none of the directors, managers, key managerial personnel, and relatives of the directors, managers, key managerial personnel is interested or concerned either directly or indirectly in the above resolution.

Item No. 7 & 8: Revision in remuneration of Directors of the company:

The company has completed the annual performance appraisal of all the employees of the company including senior management. In view of this there is a revision in the salary of executive directors also. Hence the Board of Directors is requesting your approval for the revise in the remuneration of above mentioned Directors.

The Board recommends the two resolutions to be passed as Special resolution.

Except Mr Venkata Siva Prasad Chandrapati and Mr Krishna Sai Kumar Addepalli, in their respective resolutions, none of the directors, managers, key managerial personnel, and relatives of the directors, managers, key managerial personnel is interested or concerned either directly or indirectly in the above resolution.

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Item No. 9 & 10: Appointment of Independent Director(s):

Pursuant to the conversion of Company into Public Limited Company with effect from 1st April 2017, the provisions of Section 149 of Companies Act, 2013 shall apply to the company. In compliance with the provisions of section 149 read with Schedule IV of the Act, Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint these directors as Independent Directors of the company, and in no way in any manner connected to the company, directors and / or their relatives.

Hence these two resolutions are placed before the Members for their approval as ordinary resolution.

The terms and conditions of appointment of the above Directors shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday and Sunday.

A brief profile of the Independent Directors to be appointed is given below:

Mr. T. Raghupathy Goud, is a Law Graduate passed out in the year 1979. He practiced law for a period of three years before joining A.P Police through Public Service Commission as Sub Inspector.

He has to his credit of working on assignments of Financial Irregularities, Abuse of Power and Corruption in various institutions during his service period. He worked as Sub Inspector in many sensitive areas across Andhra Pradesh throughout the service. He worked as Investigating Officer in Lokayukta (Ombudsman Institution) for around 8 years with impeccable track record. He has to his credit of working on UN Mission to Kosovo for a period of one year taking charge as incharge of Database office.

He served for five years in Vigilance and Enforcement Department for Govt of A.P in Hyderabad and Four Years before retiring as DSP in Anti Corruption Bureau

Mr. Srinivas Pagadala, Fellow Chartered Accountant with 22 years' post qualification experience, handled various projects which include Mergers & Acquisitions, Corporate Restructuring, capital market, Techno Economic Viability Studies, Valuation of Business, Private Equity and Loan Syndications, due diligence, audit, income tax and Company law matters.

Item #11: Grant Approval to the Initial Public Offering (IPO) by the Company

The Company proposes to create, offer, issue allot fresh equity shares of the Company having a face value Rs. 10 each at a premium as may be decided by the Board of Directors in consultation with the Book Running Lead Manager to the Issue for an aggregate amount not exceeding Rs. 200,00,00,000/-, in the course of an initial public offering ("IPO") on such terms, in such manner, at such time and at such price or prices and as may be discovered in accordance with applicable laws, including without limitation the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI LODR Regulations"), to various categories of investors including qualified institutional investors, retail individual investors, non-institutional investors, non-resident Indians, foreign portfolio investors and/ or eligible employees, as permitted under the SEBI LODR Regulations and other applicable laws. Further, the Board may also invite the existing members of the Company to participate in such an offering by making an offer for sale in relation to such number of Equity Shares held by them, and which are eligible for offer for sale in accordance with SEBI LODR Regulations, as the Board may determine. The equity shares allotted shall rank in all respects *pari passu* with the existing equity shares of the Company.

Material information pertaining to the IPO is as follows:

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i. Issue Price:

The price at which the equity shares will be allotted through the IPO shall be determined and finalized by the Company (and the Selling Shareholders, if relevant) in consultation with the book running lead manager(s) (BRLMs) in accordance with the SEBI LODR Regulations, on the basis of the book building process.

ii. The object(s) of the issue are:

The proceeds of the IPO are to be utilized for the purposes that shall be disclosed in the Draft Red Herring Prospectus to be filed with the Securities and Exchange Board of India in connection with the IPO. The Board or any committee thereof has the authority to modify the above objects on the basis of the requirements of the Company.

iii. Intention of Promoters/Directors/Key managerial personnel to subscribe to the offer:

The Company has not made and will not make an offer of equity shares to any of the promoters, directors or key managerial personnel. However, the directors (other than directors who are also promoters or a part of the promoter group) may apply for the equity shares in the various categories under an IPO in accordance with the SEBI LODR Regulations.

iv. Whether a change in control is intended or expected:

No change in control of the Company or its management is intended or expected pursuant to the IPO, except the change in the share holding pattern of the company.

The Board recommends the resolution to be passed as special resolution. Additionally, to the extent the above requires amendments to be made in terms of the Companies Act, 2013, SEBI LODR Regulations, any other law or if recommended by various advisors to the Company in connection with the IPO, the Board will make necessary amendments.

All the Directors, key managerial personnel and relatives of Directors and/or key managerial personnel (as defined in the Companies Act, 2013) may be deemed to be concerned or interested in the proposed resolution to the extent shares may be subscribed for and allotted in their names.

Place: Hyderabad
Date: 11.08.2017



By order of Board of Directors
For APOLLO MICRO SYSTEMS LIMITED


KARUNAKAR REDDY BADDAM
Managing Director (DIN 00790139)

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DIRECTORS' REPORT

To
The Members of
APOLLO MICRO SYSTEMS LIMITED

Your Directors have pleasure in presenting the Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2017.

FINANCIAL RESULTS AND OPERATIONS

The summary of financial performance for the Financial Year ended March 31, 2017 and the corresponding figures for the Financial Year ended March 31, 2016 are as under:

Amount in Rs.

Particulars	For the financial year ended	
	March 31, 2017	March 31, 2016
Revenue from Operations	211,26,66,348	1,59,04,48,498
Other Income	53,31,845	48,69,356
Total Revenue	211,79,98,193	159,53,17,854
Operating Expenses	170,60,87,176	133,75,14,103
Financial charges	11,43,75,551	8,14,36,795
Depreciation	3,92,59,661	2,72,37,059
Profit or Loss Before exceptional and extraordinary items and tax	25,82,75,805	14,91,29,897
Exceptional Items	(23,33,581)	(40,40,195)
Profit or Loss Before tax	25,59,42,224	14,50,89,702
Tax Expenses (including prior period taxes)	8,53,93,729	1,99,68,652
Net Profit or Loss After Tax	17,05,48,495	12,51,21,050

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

STATE OF THE COMPANY'S AFFAIRS:

During the period under review, the Company has achieved revenue of Rs. 211,26,66,348.00 and net profit of Rs. 17,05,48,495.00 as compared to revenue of Rs. 1,59,04,48,498.00 and net profit of Rs. 12,51,21,050.00 during the previous FY 2015-16. There was no change in the nature of business of the company.

BUSINESS OUTLOOK:

The changing global security paradigm requires new ways of thinking: new threats therefore new weapon systems, new technologies and new organizational structures and partnerships for cooperation and risk-mitigation. This new security environment is driving India's need for cutting-edge technology weapons and equipment. Encouragement of Private Industry in Defense Production by Government and G2G contracts for Weapon and other Defense System exports is a boost for Defense Electronics companies.

Your company has been working on cutting edge technologies in Electronics and Electro -Mechanical systems which are custom built, specific to client needs. These systems are integrated as On-Board equipment and Ground Support Equipment for Aerospace, Defense and Space markets. There is a constant requirement for growth in the Programs which we have been working and we expect the existing facility to meet these requirements.

We are also contemplating to bid for turnkey projects which significantly consolidate our market position aiming to enter niche league of business in this segment competing with large private defense entities.

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EXTRACT OF THE ANNUAL RETURN [SECTION 134 (3) (a) & SECTION 92(3)]:

The details forming part of the extract of the Annual Return in Form MGT-9 is enclosed as *Annexure - I*

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

During the financial year 2016-17, the Board of Directors has met 12 times viz., 25.04.2016, 22.07.2016, 01.09.2016, 21.09.2016, 23.09.2016, 29.09.2016, 30.09.2016, 05.12.2016, 01.02.2017, 24.02.2017, 10.03.2017 and 15.03.2017.

DIRECTORS' RESPONSIBILITY STATEMENT [SECTION 134 (3) (c) & 134(5)]:

Pursuant to Section 134(5) of the Companies Act, 2013, Directors of your Company hereby state and confirm that:

- (a) in the preparation of the annual accounts for the period ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 had 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 had prepared the annual accounts on a going concern basis; and
- (e) the directors had 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 had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS [SECTION 134 (3) (c) & 134(5)]:

As on 31.03.2017, the company is a Private Limited Company; therefore the Company does not fall under the class of companies which are required to appoint Independent Directors as per Rule 4 of Companies (Appointment of Directors) Rules, 2014.

NOMINATION, REMUNERATION & STAKEHOLDER RELATIONSHIP COMMITTEE [SECTION 134(3) (e) & 178]:

As on 31.03.2017, the company is a Private Limited Company; therefore the provisions of Section 178(1) relating to constitution of Nomination and Remuneration Committee are not applicable to the Company.

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

- a) by the Auditor in their report : has no qualification or adverse remarks
- b) by Company Secretary in Practice in Secretarial Audit Report : Not Applicable

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 [SECTION 134 (3) (g)]:

During the period under review, the Company has not given any loans or guarantees to any person or other bodies corporate or acquired 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.

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

Our Company does not have subsidiaries/joint ventures/Associate Companies, during the period under review.

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

The particulars of contract or arrangements entered into by the Company, during the financial year 2016-17, with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain

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arms length transactions under third proviso thereto has been disclosed in Form No. AOC -2, attached to the Board's report as Annexure-II.

RESERVES [SECTION 134 (3) (j)]:

During the Financial Year under review, the Company has not transferred any amount to General Reserve.

DIVIDEND [SECTION 134 (3) (k)]:

Your Board of Directors has not recommended & declared any dividend for the financial year 2016-17.

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

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

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

A. Conservation of Energy

The operations of the company are not energy intensive. However, adequate measures have been taken to conserve and reduce the energy consumption.

Research & Development

During the year the R&D Division of the Company has developed state of the art designs for mission critical applications keeping in view of the futuristic upgradation, advance Technical replacements and also to cater obsolescence issues. The research and development activities of the Company are customer need based and hence it is a continual process.

B. Technical Absorption

The Company works on in house Technical.

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange outgo and earnings

Particulars	Year ended 31-03-2017	Year ended 31-03-2016
Value of imported raw-materials on CIF basis	2,50,69,030	1,65,40,579
Earnings in foreign currency:		
FOB Value of Exports	6,96,211	--
For Services Rendered	--	26,86,116

RISK MANAGEMENT POLICY [SECTION 134 (3) (n)]:

The Board of Directors of the Company has framed and adopted Risk Management Policy on 10th March 2017. The Board could not identify any major risks, which may threaten the immediate existence of the company.

CORPORATE SOCIAL RESPONSIBILITY (CSR) [SECTION 134(3)(o)]:

Pursuant to Section 135 of the Companies Act, 2013, the Board constituted Corporate Social Responsibility Committee on 24th February 2017 consisting of Mr. Karunakar Reddy Baddam, Managing Director as Chairman, Mrs. Sri Lakshmi Reddy Vangeti, Director, as member and Mr. Krishna Sai Kumar Addepalli, Director, as member.

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: http://www.apollo-micro.com/investor_relations/CSR-Policy.pdf.

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CSR Committee of the company has framed the CSR policy and the same has been adopted by the Board on 10th March 2017. The CSR Committee is in the process of identifying the projects within the policy framework and our Company shall incur substantial portion of CSR obligation during the financial year 2017-18.

The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and society.

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 3 to this Report.

ANNUAL EVALUATION ON PERFORMANCE [SECTION 134(3) (p)]: Not Applicable

OTHER MATTERS [SECTION 134(3)(q)]:

Conversion of Company in to Public Limited Company:

The Company has passed a special resolution for changing the constitution of the company into public limited company in the extraordinary general meeting held on 21st March 2017.

EMPLOYEE STOCK OPTIONS SCHEME [RULE 12(9) OF COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014]: Not applicable

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 under review.

CHANGE IN THE DIRECTORS OR KEY MANAGERIAL PERSONNEL [RULE 8(5)(iii) OF COMPANIES (ACCOUNTS) RULES, 2014]

DIRECTORS

There was no other change in the constitution of the Board of Directors of the Company during the financial year under review.

Further, Mr. Venkata Siva Prasad Chandrapati (DIN: 03601703), retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment.

KEY MANAGERIAL PERSONS (KMP)

The provisions of KMP under the provisions of Section 203 of Companies Act, 2013 were not applicable as the Company was private limited as on 31.03.2017.

The Company has appointed Mr. Chaitanya Siva Shankar Vitta, as Company Secretary, in compliance with the provisions of Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with effect from 1st February 2017.

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 Companies Act, 2013 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.

SIGNIFICANT AND MATERIAL ORDERS [RULE 8(5)(vii) OF COMPANIES (ACCOUNTS) RULES, 2014]

The Company hasn't received any significant and material orders that impact the going concern status and company's operations in future

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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.

PARTICULARS OF EMPLOYEES

The Company being a private limited Company as on 31.03.2017, the provisions of Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are not applicable. Further none of the employees draw remuneration in excess of the limits set out in the said Rules.

AUDIT REPORT

The statutory auditors' report is annexed to this report. The notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments. There are no specifications, reservations, adverse remarks on disclosure by the statutory auditors in their report. They have not reported any incident of fraud to the Board of the Company during the year under review.

STATUTORY AUDITOR'S:

M/s. S T Mohite & Co. (FRN 011410S), Statutory Auditors of the Company, were appointed in the casual vacancy through the Board meeting held on 10th March, 2017, which was ratified by the members of the company in the extra ordinary general meeting held on 15th March 2017. Further they hold the office until the conclusion to the Annual General Meeting that is going to be held on 21st August 2017. In view of the same, Board approached M/s. S T Mohite & Co., for appointing them as statutory auditors of the company and M/s. S T Mohite & Co., has given their consent for appointment and declaration of not being disqualified to the Board.

M/s. S T Mohite & Co., Statutory Auditors of the Company, holds office until the conclusion of the 25th Annual General Meeting to be held in the calendar year 2022 (subject to ratification by the shareholders at each Annual General Meeting). The Members year on year will be requested to ratify their appointment as Statutory Auditors and to authorise the Board of Directors to fix their remuneration.

Further M/s. S T Mohite & Co., has confirmed their eligibility to the effect that their re-appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

The Auditors' Report does not contain any qualifications, reservations or adverse remarks. Notes to Accounts and Auditors remarks in their Report are self-explanatory and do not call for any further comments.

COST AUDITORS, SECRETARIAL AUDIT, AUDIT COMMITTEE:

COST AUDITOR

As per Cost Audit applicability, cost compliance is not applicable for FY 2016-17 as the Company is small scale industry under MSME

SECRETARIAL AUDIT

As on 31.03.2017, the company was a private limited company, hence the provisions of secretarial audit not applicable to the company.

AUDIT COMMITTEE

As on 31.03.2017, the company was a private limited company, hence the provisions of audit committee formation not applicable to the company

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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. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Board.

VIGIL MECHANISM: As on 31.03.2017, the company was a private limited company, hence the provisions of Vigil Mechanism not applicable to the company.

HUMAN RELATIONS:

The Company continues to have cordial and harmonious relationship with its employees.

POLICY ON SEXUAL HARASSMENT:

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. 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. The Company did not receive any complaint during the FY 2016-17.

ACKNOWLEDGEMENTS:

Your Directors gratefully acknowledge the continued support, co-operation and wise counsel extended by the Government Authorities, Banks, and Financial Institutions.


Your Directors place on record their sincere appreciation for the significant contribution made by the employees through their dedication, hard work and commitment.

Your Directors sincerely acknowledge the confidence and faith reposed in the Company by the Shareholders, Creditors and other stake holders.


For and on behalf of the Board

APOLLO MICRO SYSTEMS LIMITED

Place: Hyderabad
Date: 11.08.2017


Karunakar Reddy Baddam
Managing Director (DIN 00790139)




Krishna Sai Kumar Addepalli
Director (DIN 03601692)

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Annexure -I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	U72200TG1997PLC026556
ii	Registration Date	03/03/1997
iii	Name of the Company	Apollo Micro Systems Limited *(Was Private Limited Company until March 31, 2017. Converted to Limited Company w.e.f. April 1, 2017)
iv	Category / Sub-Category of the Company	Company Limited by Shares Non-Government Indian Company
v	Address of the Registered Office and contact details	Plot No 128/A, Road No. 12, BEL Road IDA Mallapur, Uppal Mandal, Hyderabad, Rangareddy, Telangana, India - 500076 Phone: 91 40 27167000; Fax No. 91 40 27150820 Email id: cs@apollo-micro.com
vi	Whether listed company	Unlisted Company
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of electronic components	2610	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/Associate Company	% of shares held	Applicable section
1	NIL	NIL	NIL	NIL	-

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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual /HUF	0	1,32,71,700	1,32,71,700	96.79	0	1,32,71,700	1,32,71,700	96.79	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	0	1,32,71,700	1,32,71,700	96.79	0	1,32,71,700	1,32,71,700	96.79	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other -Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	0	1,32,71,700	1,32,71,700	96.79	0	1,32,71,700	1,32,71,700	96.79	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0

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h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0	0	0	0	0
2. Non-Institutions													
a) Bodies Corp.	0	0	0	0	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0
b) Individuals													
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	0	0	0	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	0	500000	500000	3.21	0	500000	500000	3.21	0	500000	500000	3.21	0
c) Others (specify)	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	500000	500000	3.21	0	500000	500000	3.21	0	500000	500000	3.21	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	500000	500000	3.21	0	500000	500000	3.21	0	500000	500000	3.21	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	1,37,11,700	1,37,11,700	100	0	1,37,11,700	1,37,11,700	100	0	1,37,11,700	1,37,11,700	100	0

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ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year		
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares
1	Karunakar Reddy Baddam	1,32,71,690	96.79%	0	1,32,71,690	96.79%	0
2	Sri Lakshmi Reddy Vangeeti *	10	Negligible	0	10	Negligible	0
	Total	1,32,71,700	96.79%	0	1,32,71,700	96.79%	0

*Forms part of Promoter Group

(iii) Change in Promoters' Shareholding (please specify, if there is no change) : NIL

Sl.No.	Particulars	Date	Reason	Shareholding at the beginning of the year			Cumulative Shareholding during the Year		
				No. of shares	% of total shares of the company	% of total shares of the company	No. of shares	% of total shares of the company	% of total shares of the company
	At the beginning			1,32,71,700	100	100	1,32,71,700	100	100
	Changes during the year			-	-	-			
	At the end of the year			1,32,71,700	100	100	1,32,71,700	100	100

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Nil

Sl. No.	Name of the Shareholder	No. of Equity Shares held of Rs.10/- each	% of holding
1	Elluru Bala Venkata Ramana Gupta	50,000	0.36%
2	Cheruku Narayana Reddy	50,000	0.36%
3	Parepally Srinivas	50,000	0.36%
4	Sunzel Kumar	50,000	0.36%
5	Sudhir Kumar	50,000	0.36%
6	Suman Kumar	50,000	0.36%
7	Kambhampati Venkata Ramana Prasad	20,000	0.15%
8	Addepalli Kameshwari	30,000	0.22%
	Total	3,50,000	2.53%

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Date	Shareholding at the beginning of the year		Increase/ Decrease in shareholding, if any	Reason	Cumulative Shareholding during the Year	
			No. of shares	% of total shares of the company			No. of shares	% of total Shares of the company
1	Karunakar Reddy Baddam	01.04.2016	1,32,71,690	96.79%	-	-	-	-
		31.03.2017	1,32,71,690	96.79%	-	-	-	-
2	Sri Lakshmi Reddy Vangeti	01.04.2016	10	0.01%	-	-	-	-
		31.03.2017	10	0.01%	-	-	-	-
3	Krishna Sai Kumar Addepalli	01.04.2016	40,000	0.29%	-	-	-	-
		31.03.2017	40,000	0.29%	-	-	-	-
4	Venkata Siva Prasad Chandrapati	01.04.2016	50,000	0.36%	-	-	-	-
		31.03.2017	50,000	0.36%	-	-	-	-
5*	Chaitanya Siva Shankar Vitta, Company Secretary	01.02.2017	-	-	-	-	-	-
		31.03.2017	-	-	-	-	-	-

* Appointed with effect from 1st February 2017.

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V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	67,24,49,797	3,59,00,102	-	70,83,49,899
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	67,24,49,797	3,59,00,102	-	70,83,49,899
Change in Indebtedness during the financial year				
• Addition	2,74,46,46,326	8,97,14,106	-	2,83,43,60,432
• Reduction	2,61,38,34,775	5,08,74,342	-	2,66,47,09,117
Net Change	13,08,11,551	3,88,39,764	-	16,96,51,315
Indebtedness at the end of the financial year				
i) Principal Amount	80,32,61,348	7,47,39,866	-	87,80,01,214
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	80,32,61,348	7,47,39,866	-	87,80,01,214

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount (in Rs.)
		Karunakar Reddy Baddam	Krishna Sai Kumar Addepalli	Venkata Siva Prasad Chandrapati	
1.	Gross salary (IT Act) (a) Salary (b) Value of perquisites (c) Profits in lieu of salary	48,00,000.00 - -	12,00,000.00 - -	9,35,000.00 - -	69,35,000.00 - -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	- - -	- - -	- - -	- - -
5.	Others, please specify	-	-	-	-
	Total (A)	48,00,000.00	12,00,000.00	9,35,000.00	69,35,000.00
	Ceiling as per the Act (applicable to Public Ltd Co)	N.A.	N.A.	N.A.	N.A.

APOLLO MICRO SYSTEMS LIMITED

(Was Private Limited Company until March 31, 2017. Converted to Limited Company w.e.f. April 1, 2017)

CIN U72200TG1997PLC026556

B. Remuneration to other directors: Nil

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (in Rs.)
		Sri Lakshmi Reddy Vangeti	
1.	Gross salary (IT Act) (a) Salary (b) Value of perquisites (c) Profits in lieu of salary	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act (applicable to Public Ltd Co)	-	-

APOLLO MICRO SYSTEMS LIMITED

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C. Remuneration to key managerial personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	key managerial personnel other than MD/Manager/WTD		Total Amount (in Rs.)
		Chaitanya Siva Shankar Vitta, Company Secretary		
1.	Gross salary (IT Act) (a) Salary (b) Value of perquisites (c) Profits in lieu of salary	50,000/- *	50,000/- *	50,000/- *
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act (applicable to Public Ltd Co)	-	-	-

* Appointed on 1st February, 2017.

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VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of The Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty					
Punishment					
Compounding			NIL		
B. Directors					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					



For and on behalf of the Board
APOLLO MICRO SYSTEMS LIMITED

KARUNAKAR REDDY BADDAM
Managing Director (DIN 00790139)

KRISHNA SAI KUMAR ADDEPALLI
Director (DIN 03601692)

Place: Hyderabad
Date: 11.08.2017

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FORM NO. AOC-2 **Annexure – II**

(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 arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: Nil

2. Details of contracts or arrangements or transactions at Arm's length basis:

2. Details of contracts or arrangements or transactions at Arm's length basis: (amt. in Rs.)						
S. No.	Particulars	Directors and Key Managerial Personnel				
1	Name (s) of the related party and nature of relationship	Karunakar Reddy Baddam, Managing Director	Krishna Sai Kumar Addepalli, Director	Venkata Siva Prasad Chandrapati , Director		
2	Nature of contracts/ arrangements/ transaction	Unsecured Loan, Rent paid, Remuneration	Remuneration	Remuneration		
3	Duration of the contracts/ arrangements/ transaction	Continuous transaction	Continuous transaction	Continuous transaction		
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Unsecured Loan from Karunakar Reddy Baddam	Rs. 2,90,34,805	Remuneration paid	Rs. 12,00,000	Rs. 9,35,000
		Rent paid to Karunakar Reddy Baddam	Rs. 8,40,000	-	-	-
		Remuneration paid	Rs. 48,00,000	-	-	-
5	Date of approval by the Board	Continuous transaction	Continuous transaction	Continuous transaction		
6	Amount paid as advances, if any	-	-	-		

Contd..

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S. No.	Particulars	Relative(s) of Directors and Key Managerial Personnel			Enterprises with which transactions held		
1	Name (s) of the related party and nature of relationship	-	-	-	-	-	-
2	Nature of contracts/ arrangements/ transaction	-	-	-	-	-	-
3	Duration of the contracts/ arrangements/ transaction	-	-	-	-	-	-
4	Salient terms of the contracts or arrangements or transaction including the value, if any	-	-	-	-	-	-
5	Date of approval by the Board	-	-	-	-	-	-
6	Amount paid as advances, if any	-	-	-	-	-	-



For and on behalf of the Board
APOLLO MICRO SYSTEMS LIMITED

[Signature]

Place: Hyderabad
Date: 11.08.2017

KARUNAKAR REDDY BADDAM
Managing Director (DIN 00790139)

[Signature]

KRISHNA SAI KUMAR ADDEPALLI
Director (DIN 03601692)

APOLLO MICRO SYSTEMS LIMITED

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CIN U72200TG1997PLC026556

ANNEXURE – 3 (TO THE DIRECTORS' REPORT)

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

1. **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

On the recommendations of the Corporate Social Responsibility Committee, the Board approved and adopted the Corporate Social Responsibility Policy of the Company. The Company proposes to adopt projects 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 as stated in the Corporate Social Responsibility Policy.

The Corporate Social Responsibility Policy is posted under the Investors section of the Company's website at: <http://www.apollo-micro.com/investorrelations/CSR-Policy.pdf>

2. **Composition of the CSR Committee:-**

Mr. Karunakar Reddy Baddam, Managing Director

Mrs. Sri Lakshmi Reddy Vangeti, Director

Mr. Krishna Sai Kumar Addepalli, Director

3. **Average net profit of the Company for the last Two financial years**

Financial Year	Profit Before Tax (in Rs.)
2014-15	9,47,15,580
2015-16	14,91,29,897
Total	24,38,45,477
Average of the PBT	12,19,22,739

4. **Prescribed CSR expenditure (2% of Average Net Profits): Rs.24,38,455/-**

5. **Details of CSR spent during the financial year 2016-17:**

(a) Total amount to be spent for the financial year: Rs. 24,38,455/-

(b) Amount unspent, if any: Rs. 43,32,767/-.

In addition to the CSR obligation for the FY 2016-17, the above amount also includes CSR obligation of Rs. 18,94,312/- for the financial year 2015-16, which is yet to be spent by our company. Our Company has not made any provisions in the books of accounts for the financial year 2015-16 **and petition for compounding with appropriate authorities has been filed.**

(c) Manner in which the amount spent during the financial year is detailed below: Nil.

6. **In case the company has failed to spend the two percent of the average of the net profit of the last two financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.** CSR Committee of the company has framed the CSR policy and the

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same has been adopted by the Board on 10-March-2017. The CSR Committee is in the process of identifying the projects within the policy framework and our company shall incur substantial portion of CSR obligation during the financial year 2017-18.

7. The CSR Committee Confirms that the implementation and monitoring of the CSR Policy will be in compliance with the CSR objectives and policy of the Company.

FOR AND ON BEHALF OF THE CSR COMMITTEE



KARUNAKAR REDDY BADDAM
Chairman of the CSR Committee
Managing Director
DIN: 00790139



Place: Hyderabad

Date: 11.08.2017

INDEPENDENT AUDITORS' REPORT

To
The Members of
Apollo Micro Systems Limited
(formerly Apollo Micro Systems Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Apollo Micro Systems Limited (the Company), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year then ended.

Management's Responsibility for the Financial Statements

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, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the financial statements 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 financial statements are free from material misstatement. 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 judgment, 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 control 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. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.



Opinion

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 31st March, 2017, and its profit and its cash flows for the year ended on that date.


Report on Other Legal and Regulatory Requirements

1. 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 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.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement 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 prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 A.
 - 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) There are no pending litigations which would impact the financial position of the company;
 - (ii) The Company has no foreseeable losses on long-term contracts and has no derivative contracts outstanding as at 31st March, 2017;
 - (iii) The company has no dues required to be transferred to the Investor Education and Protection Fund;
 - (iv) The Company has provided requisite disclosures in the financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 27.12 to the financial statements.



2. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

For S.T. Mohite & Co
Chartered Accountants
Firm No: 011410S


M.T. Sreenivasa Rao
Partner
Membership No: 015635



Place: Hyderabad
Date: 11th August, 2017

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF APOLLO MICRO SYSTEMS LIMITED**

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report
of even date)

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the
Companies Act, 2013**

We have audited the internal financial controls over financial reporting of Apollo Micro Systems Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the 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 based on the internal control over financial reporting 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. 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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over 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 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 over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 Company 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 March 31, 2017, based on the internal control over financial reporting 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.

For S.T. Mohite & Co
Chartered Accountants
Firm No: 011410S



M.T. Sreenivasa Rao
Partner
Membership No: 015635



Place: Hyderabad
Date: 11th August, 2017

Annexure B to the Independent Auditors' Report

(referred to in Paragraph 2 of the section on "Report on other legal and regulatory requirements" of our Report of even date)

Sl No.	Ref to CARO	Report by Independent Auditors
1	3(i)	Fixed Assets
	3(i)(a)	The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
	3(i)(b)	As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
2	3(i)(c)	According to the information and explanations given to us and the records examined by us and based on the examination of sale deeds, conveyance deeds, encumbrance certificates verified to us, we report that, the title deeds comprising all the immovable properties of lands and buildings which are free hold, are in the name of the company as at the balance sheet date.
	3(ii)	Inventories As explained to us, the inventories has been physically verified during the year by the management at regular intervals. In our opinion, the frequency of such verification is reasonable.
3	3(iii)	Loans to parties covered by Register u/s.189 of the Companies Act,2013
	3(iii)(a)	According to the information and explanation given to us, the company has, during the year, not granted any loans, secured or unsecured to companies, firms, limited liability partner ships firms or other parties covered in the register required to be maintained U/s 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable to the company.
	3(iii)(b)	
	3(iii)(c)	
4	3(iv)	Loans ,guarantees, securities to and investments in other companies
		In our opinion and according to the information and explanation given to us, the company has complied with the provisions of U/s 185 and 186 of the Act with respective investments and guarantees.
5	3(v)	Acceptance of deposits
		The company has not accepted any deposits during the year and hence paragraph 3(v) of the order is not applicable to the company.
6	3(vi)	Maintenance of cost records
		The maintenance of cost records is not specified by the Central Government Under Section 148(1) of the Companies Act, 2013(The Act) and accordingly paragraph 3(vi) of the order is not applicable to the company.



7	3(vii)	Statutory Dues
	3(vii)(a)	According to the records examined by us, the company is regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employee state insurance, Sales tax, Service tax, Customs duty, Excise duty, Value added tax, cess and other statutory dues where ever applicable . According to the information and explanation given to us no undisputed arrears of statutory dues were no outstanding as on the last date of the financial year for a period of more than six months from the date they became payable.
	3(vii)(b)	According to the information and explanation given to us there are no material statutory dues of Income tax, sales tax, Service tax, Customs duty, Excise duty, Value added tax, cess and other statutory dues that have not been deposited on account of any dispute except any an appeal against income tax demand filed and pending as detailed hereunder.
		1. Name of the Statute" The Income Tax Act,1961 2. Nature of Dues" Alleged submission of in accurate particulars U/s 35 3. Amount in Rs.48,85,049/- 4. Period Assessment Year 2013-14 5. Forum where dispute is pending" CIT(A) Hyderabad-I
8	3(viii)	Defaults in repayments to Financial Institutions/Banks/Debenture holders
		The company has borrowed Term loans and working capital loans from banks and other lending corporations. According to the information and explanation given to us and based on our verification, the company, in our opinion , has not defaulted in the payment/repayments of loans or borrowings to the banks and corporations
9	3(ix)	Initial public offer/further offer
		In our opinion and according to the information and explanation given to us, the company has not made any initial public offer or further public offer of securities (including debt instruments) and term loans were applied for the purpose for which those are raised
10	3(x)	Frauds by or on the company
		Based upon the audit procedures performed and to the best of our knowledge and according to the information and explanation given to us by the management, we report that no fraud by the company and no material fraud on the company by its officers or employees has been noticed or reported during the course of our audit.
11	3(xi)	Managerial Remuneration
		The company has paid/provided managerial remuneration to its whole time director during the year and in our opinion and according to the information and explanation given to us such managerial remuneration is according with the provisions of section 197(1) of the Act read with schedule V to the Act.



12	3(xii)	Nidhi company
		In our opinion and according to the information and explanation given to us, the company is not a nidhi company and hence paragraph 3(xii) of the order is not applicable to the company.
13	3(xiii)	Transactions with Related parties
		As explained to us and as per records of the company, in our opinion the transactions with related parties are in compliance with provision of section 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.
14	3(xiv)	Preferential allotment u/s 62 or private placement u/s 42 of the Act
		According to the records of the company it has not made any preferential allotment of Equity shares during the year under report and has not made any private placement of shares or fully/partly convertible debentures. Accordingly provisions of para 3 (xiv) are not applicable to the company for the period under review.
15	3(xv)	Non-cash transactions with directors u/s 192 of the Act
		According to the records of the company, the company has not entered during the year in to any non cash transactions with directors or directors of its subsidiaries or associate companies or persons connected with him and hence provisions of Sec 192 of the Act and paragraph 3(xv) of the Order is not applicable to the company.
16	3(xvi)	Registration u/s 45-1A of RBI Act,1934
		The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934 and accordingly provisions of paragraph 3(xvi) of the order is not applicable to the company for the period under review.

For S.T. Mohite & Co
Chartered Accountants
Firm No: 011410S


M.T. Sreenivasa Rao
Partner
Membership No: 015635



Place: Hyderabad
Date: 11th August, 2017

APOLLO MICRO SYSTEMS LIMITED (CIN: U72200TG1997PLC026556)

(formerly Apollo Micro Systems Private Limited)


Balance Sheet as at 31 March, 2017

(Amount in Rupees)

Particulars	Note. No.	AS AT 31/03/2017	AS AT 31/03/2016
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	13,71,17,000	13,71,17,000
(b) Reserves and Surplus	3	52,91,50,509	35,86,02,014
(c) Money received against share warrants		-	-
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	4	13,53,01,739	15,68,37,482
(b) Deferred tax liabilities (Net)	5	4,90,49,557	65,42,159
(c) Other Long term liabilities	6	9,29,80,603	652,17,600
(d) Long term provisions	7	38,38,736	-
(4) Current Liabilities			
(a) Short-term borrowings	8	65,56,43,273	48,99,37,819
(b) Trade payables : Total Out standings to Other than micro, small & medium enterprises.	9	67,87,18,081	71,56,65,856
(c) Other current liabilities	10	13,45,33,699	8,25,92,350
(d) Short-term provisions	11	4,22,34,661	1,70,74,159
Total		245,85,67,858	202,95,86,439
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		29,98,19,986	21,13,64,511
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		12,86,45,850	10,11,82,148
(iv) Intangible assets under development		-	-
(b) Non-current investments	13	-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets		-	-
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	14	114,07,76,910	72,60,02,433
(c) Trade receivables	15	71,46,40,307	86,33,77,196
(d) Cash and cash equivalents	16	8,77,82,578	6,94,30,713
(e) Short-term loans and advances	17	8,51,65,640	5,63,79,454
(f) Other current assets	18	17,36,587	18,49,984
Total		245,85,67,858	202,95,86,439
Significant Accounting Policies and Notes to Accounts	1		

Notes referred to above form an integral part of Balance Sheet.

As per our Report of even date attached
For S.T. Mohite & Co
Chartered Accountants
Firm No: 011410S



M.T. Sreenivasa Rao
Partner
Membership No: 015635
Place: Hyderabad
Date: 11th August, 2017




For and on behalf of the Board


KARUNAKAR REDDY BADDAM
Managing Director (DIN: 00790139)


KRISHNA SAI KUMAR ADDEPALLI
Director (DIN: 03601692)


SUDARSHAN CHILUVERU
Chief Financial Officer
Place: Hyderabad
Date: 11th August, 2017


CHAITANYA SIVA SHANKAR VITTA
Company Secretary (M. No: ACS 49765)



APOLLO MICRO SYSTEMS LIMITED (CIN: U72200TG1997PLC026556)
(formerly Apollo Micro Systems Private Limited)
Statement of Profit and Loss for the year ended 31 March, 2017 (Amount in Rupees)

Particulars	Note No.	For the Period 31/03/2017	For the Period 31/03/2016
I. Revenue from operations (Gross)	19	211,64,34,984	159,25,12,055
Less: Excise Duty		37,68,636	20,63,557
Revenue from Operations (Net)		211,26,66,348	159,04,48,498
II. Other Income	20	53,31,845	48,69,356
III. Total Revenue (I + II)		211,79,98,193	159,53,17,854
IV. Expenses:			
Cost of materials consumed	21	193,88,94,552	144,76,21,921
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(42,91,41,144)	(28,56,97,947)
Employee Benefit Expense	23	6,03,28,880	6,66,77,935
Financial costs	24	11,43,75,551	8,14,36,795
Depreciation and amortization expense	12	3,92,59,661	2,72,37,059
Other Expenses	25	13,60,04,887	10,89,12,194
Total Expenses		185,97,22,388	144,61,87,957
V. Profit before exceptional and extraordinary items and tax (III-IV)		25,82,75,805	14,91,29,897
VI. Exceptional Items	26	(23,33,581)	(40,40,195)
VII. Profit before extraordinary items and tax (V - VI)		25,59,42,224	14,50,89,702
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		25,59,42,224	14,50,89,702
X. Tax expenses:			
(1) Current tax		4,28,86,331	1,70,74,159
(2) Deferred tax		4,25,07,398	28,94,493
XI. Profit(Loss) from the period for continuing operations (VII- VIII)		17,05,48,495	12,51,21,050
XII. Profit/(Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit/(Loss) from Discontinuing operations (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI + XIV)		17,05,48,495	12,51,21,050
XVI. Earnings per equity share:			
(1) Basic		12.44	9.13
(2) Diluted		12.44	9.13
(3) Face Value		10.00	10.00
Significant Accounting Policies	1		
Notes to financial Statements.	27		

Notes referred to above form an integral part of Profit & Loss account.

As per our Report of even date attached
For S.T. Mohite & Co
Chartered Accountants
Firm No: 011410S

M.T. Sreenivasa Rao
Partner
Membership No: 015635

Place: Hyderabad
Date: 11th August, 2017

For and on behalf of the Board

KARUNAKAR REDDY BADDAM
Managing Director (DIN: 00790139)

KRISHNA SAI KUMAR ADDEPALLI
Director (DIN: 03601692)

SUDARSHAN CHILUVERU
Chief Financial Officer

HAITANYA SIVA SHANKAR VITTA
Company Secretary (M. No: ACS 49765)

Place: Hyderabad
Date: 11th August, 2017



APOLLO MICRO SYSTEMS LIMITED (CIN: U72200TG1997PLC026556)
(formerly Apollo Micro Systems Private Limited)

Statement of Cash Flows		(Amount in Rupees)	
PARTICULARS		For the Year ended 31-03-2017	For the Year ended 31-03-2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before exceptional and extraordinary items and tax		25,82,75,805	14,91,29,897
Adjustments for:			
Depreciation		3,92,59,661	2,72,37,059
Interest expense		11,43,75,551	8,14,36,795
Working capital changes:			
(Increase) / Decrease in Trade Receivables		14,87,36,889	(30,13,72,192)
(Increase) / Decrease in inventories		(41,47,74,477)	(26,82,46,319)
(Increase) / Decrease in Short Term Loans & Advances		(2,87,86,187)	81,84,455
(Increase) / Decrease in Other Current Assets		1,13,397	(10,80,438)
Increase / (Decrease) in Long Term Provision		38,38,736	-
Increase / (Decrease) in Trade Payables		(3,69,47,775)	38,26,22,726
Increase / (Decrease) in Other Current Liabilities		5,19,41,349	6,73,65,570
Increase / (Decrease) in Short Term Provisions		2,51,60,502	33,01,144
Cash generated from operations		16,11,93,452	14,85,78,697
Income taxes paid		(4,52,19,912)	(2,11,14,354)
Net cash flow from/(used in) operating activities (A)		11,59,73,540	(12,74,64,343)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase)/decrease in tangible and intangible fixed assets		(15,51,78,839)	(9,63,02,028)
Net cash flow from/(used in) investing activities (B)		(15,51,78,839)	(9,63,02,028)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in short-term borrowings		16,57,05,454	10,32,41,228
Increase/(decrease) in long-term borrowings		(2,15,35,743)	2,76,90,124
Increase/(decrease) in Other Long term liabilities		2,77,63,003	(1,14,56,778)
Interest Paid		(11,43,75,551)	(8,14,36,795)
Net cash flow from/(used in) in financing activities (C)		5,75,57,163	3,80,37,779
Net increase/(decrease) in cash & cash equivalents (A+B+C)		1,83,51,865	6,92,00,094
Cash & cash equivalents at the beginning of the year		6,94,30,713	2,30,619
Cash & cash equivalents at the end of the year		8,77,82,578	6,94,30,713

Note:

- Figures in brackets indicate cash outgo.
- Previous year figures have been regrouped wherever necessary to conform to the current year's classification.

As per our Report of even date attached

For S.T. Mohite & Co
Chartered Accountants
Firm No: 011410S



M.T. Sreenivasa Rao
Partner
Membership No: 015635

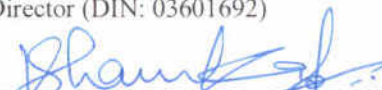
Place: Hyderabad
Date: 11th August, 2017

For and on behalf of the Board


KARUNAKAR REDDY BADDAM
Managing Director (DIN: 00790139)


KRISHNA SAI KUMAR ADDEPALLI
Director (DIN: 03601692)


SUDARSHAN CHILUVERU
Chief Financial Officer


CHAITANYA SIVA SHANKAR VITTA
Company Secretary (M. No: ACS 49765)



Place: Hyderabad
Date: 11th August, 2017

APOLLO MICRO SYSTEMS LIMITED
(CIN: U72200TG1997PLC026556)
(Formerly Apollo Micro Systems Private Limited)

Note: 1 Significant Accounting Policies

A. Corporate Information

Apollo Micro Systems Private Limited ("AMS") was incorporated on March 03, 1997. It got converted in to public limited company with effect from April 01, 2017. AMS is in to 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), Avionic Systems, Ship Borne Systems, Submarine Systems, Ground Support Equipment, Launcher Control Systems, Gun Control Systems, Decoy Systems, Telematics, Home Land Security, Industrial Automation, Telemetry Systems, Ground Checkout systems 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 is complying in all material aspects with the accounting standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016 and Companies (Accounting Standards) Amendment Rules, 2016 relevant provision of the Companies Act, 2013 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.
- ii) Income from services rendered is accounted for when the work is performed is inclusive of service tax.
- iii) Interest income is recognised on accrual basis taking into account the amount outstanding and the rate applicable.



(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 stated at the cost of acquisition or construction less accumulated depreciation and write down for, impairment if any. Direct costs are capitalised until the assets are ready to be put to use. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Fixed assets purchased in foreign currency are recorded at cost, based on the exchange rate on the date of purchase. The Company also develops and prepares some of specific tools instruments required for manufacturing on its own.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital Work in Progress

Capital work in progress comprises of Research and Development expenditure incurred on technology development for futuristic technologies and obsolescence management. The expenditure incurred at research phase is debited to profit and loss account and the expenditure incurred at development phase, when its future recoverability can reasonably be regarded as assured is capitalised and shown as tangible asset under the heading Capital Work in Progress. Capitalization ceases when the technology is ready for intended use. Capitalised costs are amortised over the remaining estimated economic life of the technology. Capital work in progress includes development of tools and equipment for captive use.

(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) Valuation of Inventories

i) Raw Materials, Fuels, Packing materials, Stores and Spares

Lower of the cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below the cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on weighted average cost.

ii) Stock-in-process and Finished goods

Finished Goods and stock-in-process are valued at lower of cost and net realizable value whichever is lower. Stock-in-process and finished goods are valued at cost of purchase, Cost of Conversion and other costs Incurred in bringing the inventories to their present location and condition. Cost of finished goods includes Excise duty.



- iii) Net realizable Value is the estimated selling price in the ordinary course of business minus estimated cost of completion and estimated cost that are necessary to make the sale.

(h) Depreciation

Depreciation is a systematic allocation of depreciable amount of an asset over its useful life in written down value method.

Deviation from Schedule II as to useful life, if any, will be disclosed in accounts suitably. Depreciation on additions is provided at prorate basis from the month of installation or date of commencement of commercial production.

Depreciation is recognized so as to write off the cost of assets less residual value over their useful lives using written down value method.

The estimated useful lives, residual value and depreciation are reviewed at the end of each reporting period with the effect of any changes in estimate useful lives are accounted for on a prospective basis.

(i) 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.

(j) Employee Benefits

i) Short Term Benefits

All employees' benefits due wholly within a year of rendering services are classified as short term benefits. These benefits like salaries, wages, short term compensation absences, expected cost of bonus, ex-gratia are recognized as expenses on accrual basis of undiscounted amounts in the Profit and Loss Account.

ii) Retirement Benefits - Defined Contribution Plan:

Employee's contribution to Provident fund and Employee State Insurance are recognized as expenditure in statement of Profit and Loss, as they are incurred. There are no other obligations other than the contribution payable to aforesaid respective Trusts / Govt. Authorities.

iii) Defined Benefit Plan:

The company provides for gratuity as defined benefit plan. There are no other post retirement benefits. The defined benefit gratuity obligation on annual basis is determined by actuarial valuation using the projected unit credit method on renewal date.

The annual contribution paid during the year towards gratuity liability is recognized as funded expenses and unfunded part of the gratuity liability determined on actuarial basis is provided as unfunded gratuity liability.

Disclosures for defined contribution plan and defined benefit plan as required under AS (Revised), Employee Benefits, are submitted in Notes to accounts.



(k) 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 if there is a virtual certainty of realization of such assets. Deferred Tax Assets / Liabilities are reviewed as at each Balance Sheet date.

(l) 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

(m) Cash Flow Statement

The Cash Flow Statement has been compiled from and is based on the Balance Sheet and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI. Cash and cash equivalents in the cash flow statement comprise cash at bank, cash/cheques in hand and short term investments with an original maturity of three months or less

(n) Provision, Contingent Liabilities and Contingent Assets

Provision are recognised 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.

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.

(o) Foreign currency transactions

(i) Initial recognition

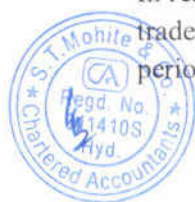
Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction.

(ii) Conversion

The outstanding transactions other than those covered by forward contracts at the end of the year are accounted at the rates prevailing as on Balance sheet date.

(iii) Forward Exchange Contracts

In respect of transactions covered by foreign exchange contracts, the difference between forward trade and exchange rate and the exchange rate on the date of transaction is recognized over the period of contract.



(iv) Exchange differences

All exchange differences arising on settlement/conversion/payment of foreign currency transactions are recognized as Income or Expenses in Profit and Loss Account.

(p) Borrowing Costs

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.

- (q)** As per Cost Audit applicability, the Management has represented that cost compliance is not applicable for FY 2016-17 as Company is small scale industry under MSMED Act,2006

(r) Earnings Per Share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.



APOLLO MICRO SYSTEMS LIMITED
(CIN: U72200TG1997PLC026556)
(formerly Apollo Micro Systems Private Limited)

Note 2. SHARE CAPITAL

(Amount in Rupees)

Particulars	As at 31-03-2017	As at 31-03-2016
Authorised Capital 1,40,00,000 (Previous Year:1,40,00,000) Equity Shares of Rs. 10/- each.	14,00,00,000	14,00,00,000
	14,00,00,000	14,00,00,000
Issued, Subscribed and Fully Paid-up Capital 1,37,11,700 (Previous Year:1,37,11,700) Equity Shares of Rs.10/- each fully paid up	13,71,17,000	13,71,17,000
	13,71,17,000	13,71,17,000

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

Particulars	As at 31-03-2017	As at 31-03-2016
	No.of Shares	No.of Shares
Equity shares of Rs.10/- each fully paid up At the beginning of the year	1,37,11,700	1,37,11,700
Issued during the year	-	-
Total	1,37,11,700	1,37,11,700

(b) Details of Shareholders holding more than 5% shares of the Company:

Particulars	As at 31-03-2017	As at 31-03-2016
	% holding	% holding
Equity shares of Rs.10/- each fully paid Karunakar Reddy Baddam (CY-1,32,71,690, PY-1,32,71,690)	96.79%	96.79%

(c) Rights, preferences and restrictions:

The company has only one class of share capital being Equity Shares having a face value of Rs. 10/- per share. Each share holder is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend payable on equity shares is subjected to recommendations of Board of Directors and share holders in Annual General Meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company in proportionate to their share holdings holding.

(d) The Company is not having holding company or Subsidiaries companies or joint ventures and associates.

Note: 3 RESERVES AND SURPLUS

(Amount in Rupees)

S.No	Particulars	As at 31-03-2017	As at 31-03-2016
I	Surplus in the statement of profit and loss		
	Balance, at the beginning of the year	35,86,02,014	23,34,80,964
	Profit / (loss) for the year	17,05,48,495	12,51,21,050
	Total	52,91,50,509	35,86,02,014



Note: 4 LONG TERM BORROWINGS		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
I	Secured Loans:		
	i) Term Loan from SBH-62299546831 \$	1,72,54,844	6,74,95,484
	ii) Term Loan from SBH-62383218858 *	1,33,35,480	69,36,654
	iii) Edelweiss Retail Finance Limited @	1,12,22,804	-
	iv) Reliance Capital Limited &	1,43,37,948	-
	v) Buyers Credit against CAPEX LC #	6,66,72,805	6,66,72,805
	vi) TATA Capital financial Services Limited -Vehicle Loans	6,85,990	16,08,551
II	Unsecured Loans:		
	Other Corporate	1,17,91,868	1,41,23,988
	Total	13,53,01,739	15,68,37,482

\$ a) Repayment Terms: 20 Quarterly instalments commencing from December 2014.

b) Rate of Interest: 12.35% (As on 31.03.2017) p.a.

c) Nature of Security: The term loan is secured by first charge over the fixed assets of the company both present and future and collateral security of Equitable Mortgage of specified properties along with personal guarantee of directors of the company and others.

* a) Repayment Terms: 16 Quarterly instalments commencing from December 2015

b) Rate of Interest: 12.35% (As on 31.03.2017) p.a

c) Nature of Security: The term loan is secured by first charge over the fixed assets of the company both present and future and collateral security of Equitable Mortgage of specified properties along with personal guarantee of directors of the company and others.

@ a) Repayment Term: Repayable in 33 monthly EMI's after moratorium of 3 months (during which interest is payable)

b) Rate of Interest: 15.00% p.a

c) Nature of Security: The loan is secured by hypothecation and creation of exclusive charge on the equipments financed by Edelweiss Retail Finance Limited until entire loan is repaid.

& a) Repayment Term: Repayable in 45 monthly EMI's after moratorium of 3 months (during which interest is payable).

b) Rate of Interest: 15.75% p.a. floating

c) Nature of Security: The loan is secured by hypothecation of assets funded by Reliance Capital Limited until entire loan is repaid.

Buyers credit availed for imported machinery against capex LC, which is the sub limit within term loan SBH-62299546831, which will be converted in to term loan on the due date of respective capex LC's.

Note: 5 DEFERRED TAX LIABILITIES (NET)		(Amount in Rupees)	
S.No.	Particulars	As at 31-03-2017	As at 31-03-2016
I	Depreciation accounted in the books of account	3,92,59,661	2,72,37,059
	Gratuity provision	6,74,195	-
	Depreciation allowed as per provisions of the Income tax Act	3,98,52,862	3,61,58,289
	Research and Development Expenditure claimed u/s. 35AD	12,86,45,850	-
		(12,85,64,857)	(89,21,230)
	Timing Difference	(12,85,64,857)	(89,21,230)
	Operating Timing Difference		
	Deferred tax liability	(4,25,07,398)	(28,94,493)
	Deferred Tax Liability	65,42,159	36,47,666
	Add: Deferred tax during the the year	4,25,07,398	28,94,493
	Net Deferred tax liability	4,90,49,557	65,42,159



Note: 6 OTHER LONG TERM LIABILITIES		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Creditors for Capital Goods	7,33,35,039	3,84,57,022
2	Advance from Customers-Long Term contracts	1,96,45,564	2,67,60,578
	Total	9,29,80,603	6,52,17,600
Note: 7 LONG TERM PROVISIONS		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Provision for Gratuity	38,38,736	-
	Total	38,38,736	-
Note: 8 SHORT TERM BORROWINGS		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
I	Secured Borrowings		
	a) Over draft from State Bank of Hyderabad (SBH)	40,77,79,589	31,53,69,880
	b) ICICI Bank (ICICI)	12,01,00,053	11,94,91,160
	c) RBL Bank-Over Draft Account	4,94,73,544	-
	d) Loan from NSIC (Raw Material Assistance)	4,92,55,282	4,91,46,959
II	Unsecured Borrowings		
	Loan from Managing Director #	2,90,34,805	59,29,820
	Total	65,56,43,273	48,99,37,819
a).b).c) Secured by hypothecation of current assets , both present and future, on pari passu basis E.M. of Land & Building along with the personal guarantee given by the directors and with limited liability of personal guarantee of individual property owners to an extent of value of property as on the date of mortgage.			
d) Raw Material Assistance from NSIC is extended against Bank Guarantee.			
# Managing Director has provided interest free unsecured loan repayable on demand.			
Note: 9 TRADE PAYABLES		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Trade payable		
	-Dues to Micro and Small Enterprise	-	-
	-Others	67,87,18,081	71,56,65,856
	Total	67,87,18,081	71,56,65,856



Note: 10 OTHER CURRENT LIABILITIES		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Current maturities of long-term debts	8,70,56,203	6,15,74,598
2	Other statutory dues:		
	TDS Payable	35,23,636	20,31,854
	VAT & CST Payable	12,38,814	13,54,441
	ESIC Payable	43,314	-
	Provident Fund Payable	3,38,874	-
	Property Tax Payable	2,26,002	-
3	Non trade payables	1,28,80,689	78,92,667
4	Advance from Customers	2,92,26,167	97,38,790
	Total	13,45,33,699	8,25,92,350
Note: 11 SHORT TERM PROVISIONS		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Provision for Income Tax	4,22,34,661	1,70,74,159
	Total	4, 22, 34,661	1,70,74,159



APOLLO MICRO SYSTEMS LIMITED
(formerly Apollo Micro Systems Private Limited)

Note:12 Fixed Assets		(Amount in Rupees)								
S. No	Particulars	Gross Block				Depreciation		Net Block		
		Cost at the beginning of the year	Additions during the year	Deduction during the year	Cost at the end of the year	Value at the beginning of the year	Addition during the year	Value at the end of the year	As on 31.03.2016	As on 31.03.2017
I	<u>Tangible Assets</u>									
	Land at Mallapur	1,50,85,175	-	-	1,50,85,175	-	-	-	1,50,85,175	1,50,85,175
	Plant & Machinery	4,70,52,953	-	-	4,70,52,953	1,64,58,675	55,37,564	2,19,96,239	3,05,94,278	2,50,56,714
	Vehicles	65,77,321	6,51,595	-	72,28,916	34,16,237	9,62,145	43,78,381	31,61,084	28,50,535
	Tools & Instruments	6,70,88,615	10,91,75,624	-	17,62,64,239	2,59,37,537	1,05,39,736	3,64,77,273	4,11,51,078	13,97,86,965
	Furniture & Fixtures	79,80,008	1,11,125	-	80,91,133	46,21,602	8,77,629	54,99,231	33,58,406	25,91,902
	Computers & Software	2,04,17,836	1,77,21,002	-	3,81,38,838	1,58,64,311	85,02,683	2,43,66,994	45,53,525	1,37,71,844
	Office Equipments	44,43,496	55,790	-	44,99,286	14,57,005	13,57,949	28,14,954	29,86,491	16,84,332
	Building	12,61,91,425	-	-	12,61,91,425	2,17,38,183	99,23,058	3,16,61,241	10,44,53,242	9,45,30,184
	Electrical Fittings	1,00,53,070	-	-	1,00,53,070	40,31,837	15,58,897	55,90,734	60,21,233	44,62,336
	Total (I)	30,48,89,898	12,77,15,136		43,26,05,034	9,35,25,387	3,92,59,661	13,27,85,048	21,13,64,511	29,98,19,986
II	<u>Intangible Assets</u>	-	-	-	-	-	-	-	-	-
III	<u>Capital Work in Progress</u>	10,11,82,148	12,86,45,850	10,11,82,148	12,86,45,850		-	-	10,11,82,148	12,86,45,850
IV	<u>Intangible assets under development</u>									
	Total (II+III+IV)	10,11,82,148	12,86,45,850	10,11,82,148	12,86,45,850		-	-	10,11,82,148	12,86,45,850
V	Grand Total	40,60,72,046	25,63,60,986	10,11,82,148	56,12,50,884	9,35,25,387	3,92,59,661	13,27,85,048	31,25,46,659	42,84,65,836
	Previous Year	30,97,70,018	9,63,02,028	-	40,60,72,046	6,62,88,328	2,72,37,059	9,35,25,387	-	31,25,46,659



Note : 13 NON-CURRENT INVESTMENTS		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Long term at cost, unless otherwise specified	-	-
	Other (Unquoted) - Non trade	-	-
	Total	-	-
Note: 14 INVENTORIES		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Raw material and stores	27,15,88,214	28,59,54,881
2	Work In Progress	61,30,52,411	39,64,59,169
3	Finished Stock	25,61,36,285	4,35,88,383
	Total	114,07,76,910	72,60,02,433
Note: 15 TRADE RECEIVABLE		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
	Unsecured, considered good:		
1	-Outstanding for a period exceeding six months from the date they are due for payment	-	3,83,27,011
2	Other receivables	71,46,40,307	82,50,50,185
	Total	71,46,40,307	86,33,77,196
Note: 16 CASH & BANK BALANCES		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
	Cash and cash equivalents		
1	Balances with banks:		
	In current accounts	1,72,019	-
	In Fixed Deposits (earmarked for margin/security for bank facilities)	8,75,26,448	6,85,87,951
2	Cash In Hand	84,111	8,42,762
	Total	8,77,82,578	6,94,30,713
Note: 17 SHORT-TERM LOANS AND ADVANCES		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
	Unsecured, considered good		
1	Other Advances	6,14,63,083	2,52,85,380
2	Telephone Deposit	11,500	11,500
3	Electricity Deposit	4,34,521	1,61,586
4	Rental Advances	2,30,500	1,60,500
5	Advance to material suppliers	2,30,26,036	3,07,60,488
	Total	8,51,65,640	5,63,79,454
Note : 18 OTHER CURRENT ASSETS		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Sales Tax Deposit	-	1,000
2	Duties & Taxes Recoverable	7,53,359	5,60,829
3	Interest Receivable-others	3,72,149	7,73,032
4	Prepaid Expenses	6,11,079	5,15,123
	Total	17,36,587	18,49,984



Notes Forming Integral Part of Statement of Profit & Loss for the Year end 31 March, 2017			
Note: 19 REVENUE FROM OPERATIONS		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Gross Sales	210,97,45,053	158,12,12,409
	Less: Excise Duty	37,68,636	20,63,557
		210,59,76,417	157,91,48,852
2	Sale of Services	66,89,931	1,12,99,646
	Total	211,26,66,348	159,04,48,498
Note: 20 OTHER INCOME		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
	Interest on FD's with Banks	53,02,467	48,69,356
	Foreign exchange gain	29,378	-
	Total	53,31,845	48,69,356
Note: 21 COST OF MATERIALS CONSUMED		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
	Opening Stock	28,59,54,881	27,02,80,636
	Add: Purchases	191,58,36,409	145,94,69,411
	Add: Jobwork Charges	86,91,476	38,26,755
		221,04,82,766	173,35,76,802
	Less: Closing Stock	27,15,88,214	28,59,54,881
	Total	193,88,94,552	144,76,21,921
Note: 22 CHANGES IN INVENTORIES OF WIP & STOCK IN TRADE		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
	Closing Stock		
	a. Finished Goods	25,61,36,285	4,35,88,383
	b. Work-in-process	61,30,52,411	39,64,59,169
	TOTAL	86,91,88,696	44,00,47,552
	Opening Stock		
	a. Finished Goods	4,35,88,383	95,75,000
	b. Work-in-process	39,64,59,169	14,47,74,605
	TOTAL	44,00,47,552	15,43,49,605
	+Accretion/-decretion to stock	42,91,41,144	28,56,97,947
Note: 23 EMPLOYEE BENEFITS EXPENSE		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Salaries, wages and bonus	5,77,91,724	6,61,54,932
2	Contribution to provident and other fund	13,13,929	1,16,535
3	Gratuity expense	6,74,195	-
4	Staff Welfare expenses	5,49,032	4,06,468
	Total	6,03,28,880	6,66,77,935

Note: 24 FINANCE COSTS		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Interest on Borrowings:		
	Interest on Overdraft	6,49,70,307	3,93,45,301
	Interest on Term Loan	1,39,99,307	1,82,91,127
	Interest on Vehicle Loan	3,95,290	1,32,866
	Interest on Unsecured Loans	81,44,361	1,29,83,505
2	Financial Charges	2,68,66,286	1,06,83,996
	Total	11,43,75,551	8,14,36,795

Note: 25 OTHER EXPENSES		(Amount in Rupees)	
S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Books & Periodicals	34,875	1,95,620
2	Consultancy Charges	10,83,292	13,63,507
3	Computer Maintenance	1,49,086	1,65,480
4	Insurance	4,75,128	7,78,273
5	Printing & Stationary	4,39,128	7,83,956
6	Tour & Travelling	39,63,283	31,88,911
7	Conveyance	15,82,289	13,31,176
8	Postage & Courier Charges	2,50,768	3,22,445
9	Power and Fuel	23,75,503	18,63,318
10	Auditors Remuneration:		
	For Statutory Audit fee	3,00,000	2,00,000
	For Tax Audit fee	1,00,000	1,00,000
11	Rates & Taxes	3,47,139	5,74,395
12	Sales Tax paid	10,31,38,493	7,85,74,321
13	Service Tax paid	8,59,164	13,73,904
14	Business development expenses	33,09,117	25,70,369
15	Director's remuneration	69,35,000	53,75,000
16	Repairs & Maintenance	8,63,175	12,29,235
17	Office Maintenance	8,88,752	11,00,035
18	Rent	18,10,000	8,64,000
19	Vehicle Maintenance	3,15,937	8,57,910
20	Internet Charges	1,96,325	75,820
21	Telephone Charges	7,22,203	7,22,687
22	Tender Expenses	45,652	62,250
23	Testing Charges	8,16,419	9,75,122
24	Water Charges	2,94,776	7,10,786
25	Foreign Exchange Loss	-	2,35,036
26	Freight outward	30,74,825	13,09,889
27	Filing fees	45,940	-
28	Advertisement Charges	10,85,922	15,89,000
29	Security Charges	5,02,696	4,19,749
	Total	13,60,04,887	10,89,12,194



26. Exceptional Items

(Amount in Rupees)

S.No	Particulars	As at 31-03-2017	As at 31-03-2016
1	Earlier Tax Adjustments	(1,25,78,480)	(40,40,195)
2	Gratuity Provision	(31,64,541)	-
3	Credit balances Written off	1,34,09,440	-
	Total	(23,33,581)	(40,40,195)

27. Additional information forming part of financial Statements:**27.1 Details of raw materials and traded goods****a) Raw Material consumed**

Year	Year ended 31st March 2017 Rupees		Year ended 31st March 2016 Rupees	
Particulars	Qty	Rupees	Qty	Rupees
Electrical, Electronic & Mechanical Components	1,99,88,604	193,88,94,552	1,47,71,652	144,76,21,921
Grand Total	1,99,88,604	193,88,94,552	1,47,71,652	144,76,21,921

b) Goods Purchased-Trade

Particulars	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
Raw Material	191,58,36,409	145,94,69,411

27.2 Details of Work in progress

Particulars	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
Electronics and Electro mechanical systems	61,30,52,411	39,64,59,169

27.3 a) Value of imports on CIF basis

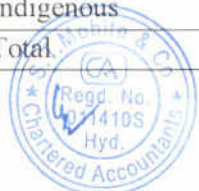
Particulars	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
Raw materials	2,50,69,030	1,65,40,579
Plant and Machinery	---	---
Packing & Spares	---	---

b) Expenses incurred in foreign currency

NIL

c) Raw Material Consumed

Particulars	Year ended 31st March 2017 Rupees	%	Year ended 31st March 2016 Rupees	%
Imported	2,50,69,030	1.29	1,65,40,579	1.14
Indigenous	191,38,25,522	98.71	143,10,81,342	98.86
Total	193,88,94,552	100.00	144,76,21,921	100.00



d) Dividends remitted in Foreign Currency

NIL

e) Earnings in foreign exchange

Particulars	Year ended 31st March 2017 Rupees	Year ended 31st March 2016 Rupees
FOB value of exports	6,96,211	26,86,116

27.4 DISCLOSURE UNDER AS-20 EARNINGS PER SHARE

(Amount in Rupees)

Particulars	Year Ended March 31	
	2017	2016
Profits Attributable to Equity Shareholders	17,05,48,495	12,51,21,050
Weighted Average No. of Shares for the year ended	1,37,11,700	1,37,11,700
Earnings per Share – Basic	12.44	9.13
Earnings per Share – Diluted	12.44	9.13

27.5 DISCLOSURE UNDER AS-28 RELATED PARTIES TRANSACTIONS

As per Accounting Standard 18, disclosures of transactions with related parties are given below.

A. Related Parties: In terms of AS-18 the company has following related parties;

1. Key Management Personnel.

Name	Designation	Transaction During the Year
Sri Karunakar Reddy Baddam	Managing Director	Yes
Sri Chaitanya Siva Shankar Vitta	Company Secretary	Yes

2. Enterprises Controlled by Key management Personnel.

Name	Relation	Transaction During the Year
Apollo Food & Beverages Pvt Ltd	Enterprise controlled by KMP	NIL

B. Transaction During the year:

1. Remuneration to key managerial persons-Rs.48,50,000
2. Rent paid to key managerial persons-Rs. 8,40,000
3. Loan from key managerial persons (Net)-Rs.2,31,04,985

C. Balances outstanding as on 31.03.2017

1. Remuneration payable to key managerial persons-Rs.24,67,902
2. Loan from key managerial persons-Rs. 2,90,34,805



27.6 DISCLOSURE UNDER AS-15 EMPLOYEES BENEFITS:

Long term compensated absence costs are provided for based on actuarial valuation using the project unit credit method.

Contributions payable to recognized provident funds, which are defined contribution schemes, are charged to the statement of profit and loss statement.

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.

The Company recognizes the net obligation of the gratuity plan in the Balance Sheet as liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'.

The disclosures for defined benefit plan (Gratuity) as per AS-15 (Revised 2005) are given here under:

Particulars	Unfunded Year ended 31.03.2017 (Rs.)
a. Charges and reconciliation of obligation for the year ended	
Present Value and Defined benefit obligation at beginning of year	31,64,541
Current Service cost	6,74,195
Interest Cost	2,37,341
Past Service cost	0
Net Actuarial (gain)/loss on obligation	(2,37,341)
Present Value and Defined benefit obligation at the end of the year	38,38,736
b. Charges and reconciliation in fair value of plan assets for the year ended.	
Fair Value of Plan Assets at beginning of period	0
Adjustments/Reconciliations	0
Fair Value of Plan Assets at the end of period	0
c. Amount recognized in Balance sheet for the year ended	
Present Value of Liability	38,38,736
Fair Value of Plan Assets	0
Net Liability	38,38,736
d. Expenses recognized in the Statement of Profit and Loss for the year ended	
Current Service Cost	6,74,195
Interest as defined benefit obligations	2,37,341
Expected Return on Plan Assets	0
Post Service Cost-Recognised	0
Net Actuarial (Gain)/Loss recognized for the period	(2,37,341)
Total	6,74,195



e. Principal actuarial assumptions

Demographic Assumptions:

- i) Retirement age of employees of the Company are assumed at 58 years
- ii) Mortality Rates under the Indian Assured Lives Mortality (2006-08) Mortality table (ultimate)
- iii) 1-3% depending upon age

Final Assumptions:

- i) Discount Rate (p.a)
- ii) Expected Rate of Return (p.a)
- iii) Salary Escalation Rate (p.a)

27.7 DISCLOSURE UNDER AS-17 SEGMENT REPORTING:

The Company is engaged in only in one segment of business namely electronics and mechanical systems. Hence reporting under AS-17 is applicable.

27.8 DISCLOSURE UNDER AS-22 ACCOUNTING FOR TAXES ON INCOME:

Particulars	As At 31-03-2017	As at 31-03-2017
Depreciation accounted in the books of account	3,92,59,661	2,72,37,059
Gratuity provision	6,74,195	-
Depreciation allowed as per provisions of the Income tax Act	3,98,52,862	3,61,58,289
Research and Development Expenditure claimed u/s. 35AD	12,86,45,850	-
	(12,85,64,857)	(89,21,230)
Timing Difference	(12,85,64,857)	(89,21,230)
Operating Timing Difference		
Deferred tax liability	(4,25,07,398)	(28,94,493)
Deferred Tax Liability	65,42,159	36,47,666
Add: Deferred tax during the the year	4,25,07,398	28,94,493
Net Deferred tax liability	4,90,49,557	65,42,159

27.9 CONTINGENT LIABILITIES & COMMITMENTS (to the Extent not Provided for)

Contingent Liabilities

S. No	Particulars	As at 31.03.2017
1	Outstanding Guarantees and Counter Guarantees to various Banks, in respect of the guarantees given by those banks in favour of various Govt Authorities and Others.	Rs.46,67,32,012
2	Claims against the Company not acknowledged as debt	Rs.48,85,049
3	Non fulfilment of export obligation under zero duty EPCG Scheme	Rs. 9,66,71,518

27.10 DUES TO SMALL SCALE INDUSTRIES

The Company sought information from vendors at the time of purchase about the registration under Micro, Small and Medium Enterprises Development Act, 2006. But company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Based on the information available there are no dues to MSME Enterprises and hence disclosures relating to amounts unpaid as at the yearend together with interest paid/payable under this Act, have not furnished. The same has been relied upon by the Auditors.



27.11 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.

27.12 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)



The Company had Specified bank notes (Rs.500 and Rs.1000) and other denomination notes, the details of Specified Bank Notes (SBNs) held and transacted during the period from November 08, 2016 to December 30, 2016 as per the Notification No G.S.R.308 (E) dated 31.03.2017 are as under:-

(Amount in Rupees)

	SBNs	Other Denomination Notes	Total
Closing cash in hand as on November 08, 2016	1,38,000	23,270	1,61,770
[+] Permitted Receipts	Nil	4,31,538	4,31,538
[-] Permitted payments	1,38,000	4,21,618	5,59,618
[-] Amount deposited in banks	Nil	Nil	Nil
Closing cash in hand as on December 30, 2016	Nil	33,690	33,690

27.13 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure and amounts are rounded off to nearest Rupees.

Signature to Notes 1 to 27

<p>As per our Report of even date attached</p> <p>For S.T. Mohite & Co Chartered Accountants Firm No: 011410S</p>   <p>M.T. Sreenivasa Rao Partner Membership No: 015635</p> <p>Place: Hyderabad Date: 11th August, 2017</p>	<p style="text-align: center;">For and on behalf of the Board</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  <p>KARUNAKAR REDDY BADDAM Managing Director (DIN: 00790139)</p> </div> <div style="text-align: center;">  <p>KRISHNA SAI KUMAR ADDEPALLI Director (DIN: 03601692)</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  <p>SUDARSHAN CHILUVERU Chief Financial Officer</p> </div> <div style="text-align: center;">  <p>CHAITANYA SIVA SHANKAR VITTA Company Secretary (M. No: ACS 49765)</p> </div> </div> <div style="text-align: center; margin-top: 20px;">  </div> <p>Place: Hyderabad Date: 11th August, 2017</p>
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APOLLO MICRO SYSTEMS LIMITED

(Was Private Limited Company until March 31, 2017. Converted to Limited Company
w.e.f. April 1, 2017)

CIN U72200TG1997PLC026556

Shorter Notice Consent

The Companies Act, 2013

Consent by shareholder for shorter notice

{Pursuant to section 101(1)}

To,
The Board of Directors
Apollo Micro Systems Limited
Plot No 128/A, Road No. 12,
BEL Road IDA Mallapur,
Uppal Mandal Hyderabad
Rangareddy Telangana 500076

Dear Sir,

I, _____, S/o _____, R/o _____,
_____ holding
_____ (number of) Equity shares of face value of Rs. 10/- each of the company, as
shareholder, hereby give consent, pursuant to section 101(1) of the Companies Act, 2013, to hold the
Annual General Meeting on Monday, the 21st day of August, 2017 at 03.00 P.M. at shorter notice.

Signature:

Name:

Date:

Place:

APOLLO MICRO SYSTEMS LIMITED

(Was Private Limited Company until March 31, 2017. Converted to Limited Company
w.e.f. April 1, 2017)

CIN U72200TG1997PLC026556

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN : U72200TG1997PLC026556
Name of the company : Apollo Micro Systems Limited
Registered office : Plot No 128/A, Road No. 12, BEL Road IDA Mallapur, Uppal
Mandal Hyderabad Rangareddy Telangana 500076

Name of the member (s)	
Registered address	
E-mail Id	
Folio No/ Client Id/ DP ID	

I/We, being the member (s) having _____ Equity shares of the above named company,
hereby appoint

1. Name:

Address:

E-mail Id:

Signature:

or failing him

2. Name:

Address:

E-mail Id:

Signature:

or failing him

3. Name:

Address:

E-mail Id:

Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twentieth Annual general meeting of the company, to be held on the 21st day of August, 2017 At the registered office of the company at Plot No 128/A, Road No. 12, BEL Road IDA Mallapur, Uppal Mandal, Hyderabad Rangareddy Telangana 500076 at 3.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

APOLLO MICRO SYSTEMS LIMITED

(Was Private Limited Company until March 31, 2017. Converted to Limited Company
w.e.f. April 1, 2017)

CIN U72200TG1997PLC026556

Resolution No.	Resolution	Vote (See Note 3)	
		For	Against
Ordinary Business			
1	Adoption of Audited Financial Statements along with the Report of the Board of Directors and Auditors for the financial year ended March 31, 2017		
2	Appoint of Director in place of Mr. Venkata Siva Prasad Chandrapati (DIN: 03601703), who retires by rotation and being eligible, offers himself for reappointment		
3	Appoint of M/s. S T Mohite & Co Chartered Accountants, Firm Registration No. 011410S, as Statutory Auditors of the Company		
Special Business			
4	To increase of authorised share capital of the Company		
5	To alter the Capital Clause in Memorandum of Association		
6	To reappoint Mr. Karunakar Reddy Baddam (DIN: 00790139) as Managing Director of the Company and to revise his salary		
7	To appoint Mr. Venkata Siva Prasad Chandrapati (DIN: 03601703), as Whole Time Director (Technical) of the Company and to revise his remuneration		
8	To appoint Mr Krishna Sai Kumar Addepalli (DIN: 03601692), as Whole Time Director (Operations) of the Company and to revise his remuneration		
9	To appoint Mr. Raghupathy Goud Theegala as Independent Director		
10	To appoint Mr. Srinivas Pagadala as Independent Director		
11	To grant Approval to the Initial Public Offering (IPO) by the Company		

Signed this _____ day of _____ 20__

Signature of shareholder:

Signature of Proxy holder(s):

Affix Revenue
Stamp

Note:- 1. This form of Proxy in order to be effective should be duly completed and deposited at Registered Office at Plot No 128/A, Road No. 12, BEL Road IDA Mallapur, Uppal Mandal Hyderabad Rangareddy Telangana 500076, not less than 48 hours before the scheduled time of the meeting.

2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company may appoint a single person as a proxy and such person cannot act as a proxy for any other person or shareholder.

3. It is optional to put an "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

APOLLO MICRO SYSTEMS LIMITED

(Was Private Limited Company until March 31, 2017. Converted to Limited Company
w.e.f. April 1, 2017)

CIN U72200TG1997PLC026556

ATTENDANCE SLIP

20th Annual General Meeting

To be held on Monday the 21st August 2017 at 3.00 p.m.

I hereby record my presence at the 20th Annual General Meeting of the Company being held on Monday the 21st August 2017 at 3.00 p.m. at its Registered Office.

Name of the Shareholder:	
Name of the Proxy:	
Registered Folio no. /DP ID no. / Client ID no.	
Number of Equity Shares held:	
Signature of Shareholder	
Signature of Proxy	

Note: Please fill up this attendance slip and hand it over at the entrance of the venue. Members are requested to bring their copies of the Annual Report to the AGM.