Date: 30th September, 2023

BSE Limited	**National Stock Exchange of India Limited**
Listing Dept./ Dept. of Corporate Services	Listing Department
Phiroze Jeejeebhoy Towers	Exchange Plaza, Plot no. C/I, G Block
Dalal Street	Bandra –Kurla Complex,
Mumbai – 400001	Bandra (East) Mumbai – 400051
Scrip Code / ID: 540879/ APOLLO	Scrip Code: APOLLO

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

Sub: Investor Presentation

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are herewith enclosing a copy of investor presentation as discussed in the Annual General Meeting of the Company held on 29th September, 2023.

The copy of the disclosure is available on the website of the Company i.e. https://apollo-micro.com/

This is for your information and records.

Thanking You

Yours Faithfully

FOR APOLLO MICRO SYSTEMS LIMITED

Rukhya Parveen
Digitally signed by Rukhya Parveen
Date: 2023.09.30 11:26:56 +05'30'

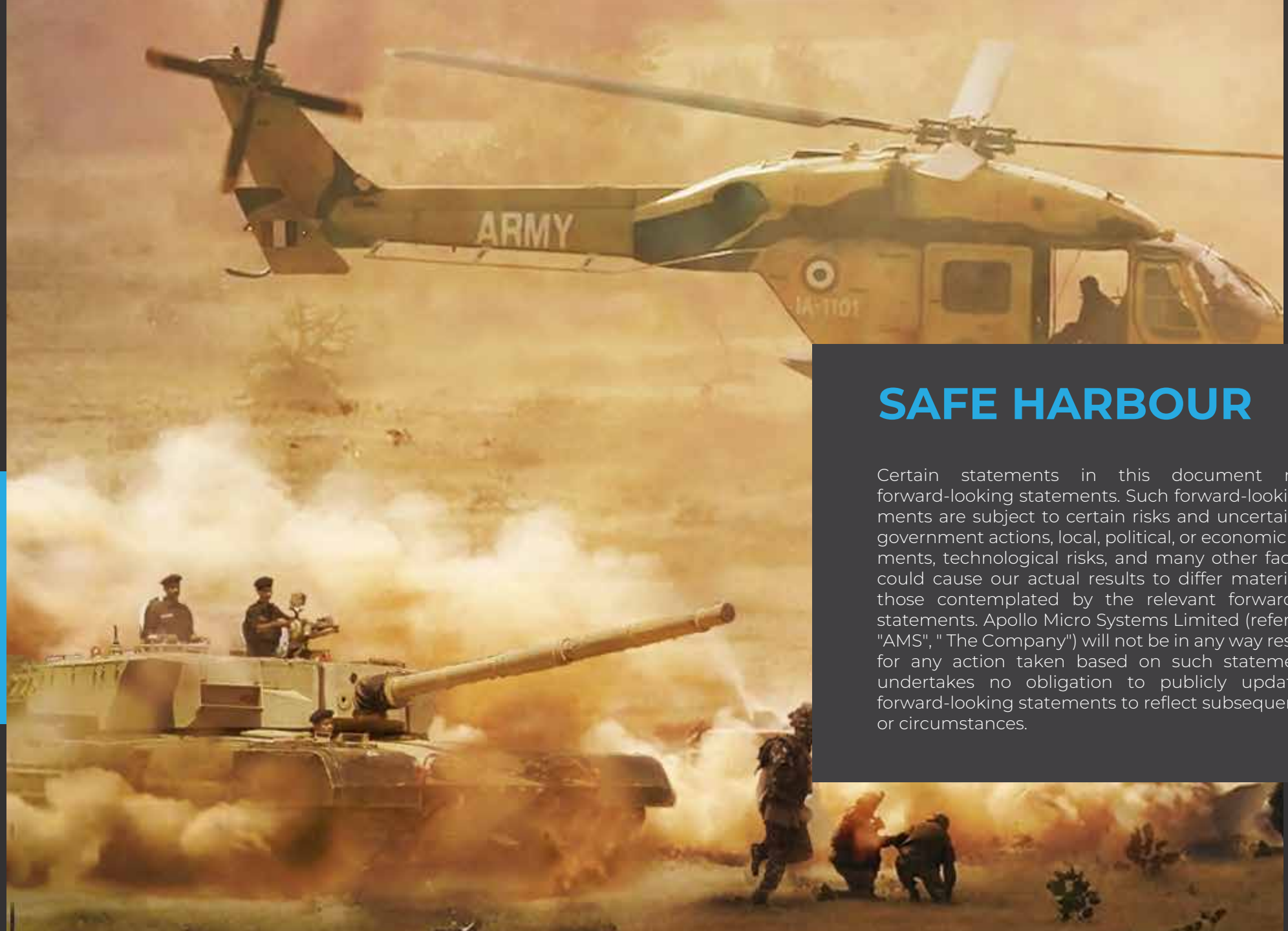
RUKHYA PARVEEN
COMPANY SECRETARY & COMPLIANCE OFFICER

apollo microsystems

APOLLO MICRO SYSTEMS LIMITED

"STRENGTHENING DEFENCE SYSTEMS FOR A SELF-RELIANT INDIA"

INVESTOR PRESENTATION SEPTEMBER 2023



SAFE HARBOUR

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local, political, or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Apollo Micro Systems Limited (referred to as "AMS", " The Company") will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

MISSION, VISION & CAPABILITIES

MISSION STATEMENT

"Converts Your Concepts Into Reality "

VISION STATEMENT

"Total Solutions Under One Roof "

OUR CAPABILITIES

Decades of domain experience enabling AMS to execute projects that demands engineering and technology excellence.

Leading Electronic, Electro-Mechanical, Engineering Designs, Manufacturing and Supplies Company.

FROM THE MD'S DESK

1

I am proud and grateful to present this prestigious and wonderful Company. By concentrating on our customized services and seamlessly merging them with cutting-edge tech enabled products, we are expanding rapidly. Throughout our journey, we have received various awards & recognition from significant & respected organizations, which speaks well of our service talents and serves as an evidence of our unique client-centric approach.

2

Our vision remains well aligned with government of India's vision of "Make in India", which has identified the Aerospace and Defence sector as a focus area. We partner with DRDO to implement various, strategically important, defence programs for the Government. Further, our recent participation in various Defence Expo has highlighted bright prospectus for our products and will give us immense opportunity to grow in the said direction.

3

Our core competence covers the entire spectrum of services including electronic manufacturing, hardware designing, weapon integration and platform integration. Our solutions include avionic systems, aerospace systems, naval systems, satellite space systems and homeland security. This unique capability allows AMS to offer complete set of solutions which aim at strengthening defence system for self-reliant India. This puts us in a unique position to capitalize on the huge unfolding sectoral opportunity.

4

AMS provides end to end design, assembly and testing services, using state of the art capabilities, equipped with precision machining facilities, PCB assembly, inspection, and ESS test facilities to deliver products that transforms our customers' design concept into a fully operative product. This is backed by our strong and experience rich R&D capabilities.

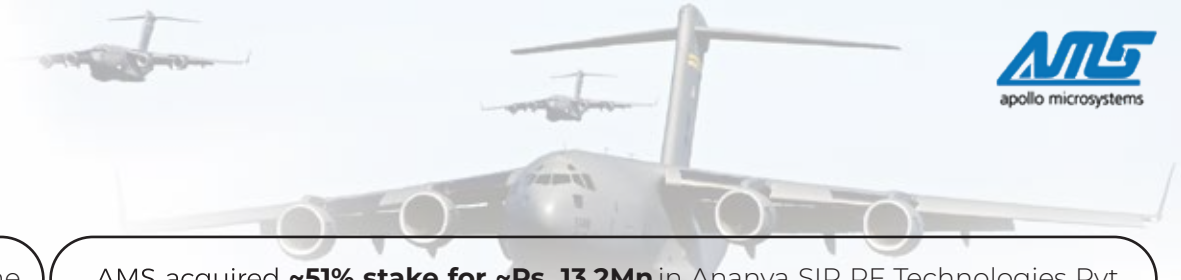
5

Our overall focus for the Company remains very much aligned with our long-term vision of becoming a one-stop solution for cutting edge defence products. We look forward to getting continued support from the Ministry of Defence and DRDO for new innovative activities."**- Mr. Baddam Karunakar Reddy**

SUMMARY OF OUR FINANCIALS FOR FY23 IS PRESENTED BELOW:

Revenue form Operation For FY23	Revenue Growth YoY	EBITDA Margins	EBITDA Growth
2,975.26 Mn	**22.34%**	**21.63%**	**40.98%**

AMS
AT A GLANCE



Apollo Micro Systems Limited is Hyderabad based company engaged in the business of electronic, electro-mechanical, engineering designs, manufacturing and supply. The Company designs, develops and sells high-performance, mission and time critical solutions to Defence, Space and Home Land Security for Ministry of Defence, government controlled public sector undertakings and private sectors. It offers custom built COTS (Commercially off-the shelf) solutions based on specific requirements to defence and space customers.

AMS acquired **~51% stake for ~Rs. 13.2Mn** in Ananya SIP RF Technologies Pvt Ltd in Feb, 2020, which is engaged in design, development, production, maintenance, and supply of RF (Radio Frequency), Microwave components, subsystems, and systems using conventional and LTCC (Low temperature co-fired ceramic) technologies.

55,000 Sqft - State-of-the-art manufacturing facility in Hyderabad

38+ years of experienced management in ADS

Average **7% - 8%** of revenue spent on R&D

21% Revenue CAGR% in the past 3 years.

ISO & CEMILAC certified

300+ experienced workforce.

Missile Defence

Naval Defence

Ground Defence

Avionics

Space

Homeland Security

Automotive

Telecom

BOARD OF DIRECTORS

Mrs. KarunaSree Samudrala - Independent Director
She is a Fellow Member of the ICAI & is a Commerce Graduate from Kakatiya University. She has 20+ years of experience in Accounting, Audit & Taxation.

Mr. Baddam Karunakar Reddy - Managing Director
Shri. Badddam Karunakar Reddy is the Founder & Managing Director of Apollo Micro Systems Ltd. He commenced this business in 1985. He was instrumental in developing cutting edge technologies for various defence systems. His engineering skills and miniaturization techniques are unique in the industry and were instrumental in improving the performance of various weapon systems. With his inter disciplinary skills and self-discipline he has steered this company to be one amongst a key weapon system electronics supplier in India. He carries a vision to develop the company into a world class defence systems supplier.

Mrs. Kavya Reddy - Director
She is a Non- Executive Director of the company. She is a qualified Pilot with 15 years of experience and has extensive knowledge in the design and application of Airplane Aerodynamics, Airplane Engines, Avionics, and Radio Navigation Systems.

Mr. CH Venkata Siva Prasad Whole-time Director (Technical)
Shri CH.V. Siva Prasad is Director (Technical) of the company. He is a Post Graduate in Electronics. He handles Design & Development with 28 years of experience working on variety of technologies. He is serving AMS for past 24 years. His Design expertise, and product development capabilities are the best available in the industry. He is a core design architect for complex weapon system electronics of major Indigenous Defence programs.

Dr. Chandrashekar Matham
Dr. M. Chandrasekhar has 21 years of Defence Industrial R&D experience and 11 years of Engineering Teaching Experience for UG & PG at Central and State Universities. He worked as a Senior Manager (R&D) in Missile Technology at Bharat Dynamics, Hyderabad, Ministry of Defense, and Government of India. He has contributed significantly in developing On-Board weapon electronics for multiple platforms and integration of weapon systems has been his core expertise.

Mr. A Krishna Sai Kumar - Whole-Time Director (Operations)
He is Director (Operations) of the company. He is an Engineer with 22 years of experience in Sales & Marketing, administration & Finance, serving AMS for past 20 years. He has strong knowledge in financial modeling, and cash flow management strategies. As a Director (Operations) he handles Operations, Business acquisition, new vertical development and investor handling.

Mr. Aditya Kumar Halwasiya
Mr. Aditya Kumar Halwasiya is a Dynamic 3rd Generation Entrepreneur, Investor and Scion of the Pan-India Universal-Halwasiya Group. He has done his Masters in Global Finance from NY-USA. He plays an advisory role since 2019 in the family concern Columbia Petrochem Ltd also in the automobile, industrial oils and specialty chemicals business. He actively manages and oversees a sizeable portfolio of Capital Market Investments and Real Estate Investments & Projects in India.

Mr. Raghupathy Goud Theegala - Chairman & Independent Director
He holds a Bachelor's degree in commerce from Osmania University and a Bachelor's degree in law from Bangalore University. He has a vast experience in designing, product development & matters relating to financial irregularities. Prior work experience with: the Andhra Pradesh Lokayukta and UPA – Lokayukta.

A highly educated, experience rich and well- balanced team having a diversified background, with expertise spanning across all the business areas.

AMS' MILESTONES

1985

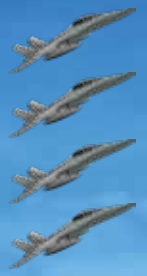
Incorporation of AMS as Proprietary Company offering Electronic CAD Design Services

1990

Started offering Indigenous Processor Boards for Defence applications

1992

Started offering On-Board Systems for Defence



1997

Converted to Pvt Ltd Company

2000

First Indigenous Pay-Load Checkout System is supplied to ISRO replacing Legacy Imported Systems

2004

First Pvt Company in Defence Electronics to be ISO certified

2005

Launched Telemetry Products for ISRO applications

2007

First Developmental Model of Expendable Decoy supplied for Indian Navy & Delivered Fully Indigenous Integrated Mine Management System for Coal & Iron Ore Mines

2010

Successfully configured Indigenous Automatic Launcher Controller for AGNI range of Missiles

2015

Reached Milestone of over INR 1 bn Turnover & Installed State of the art facility for Defence Systems Manufacturing Facility

2017

Reached a Milestone of over **INR 2bn** Turnover

2018

Company Listed on NSE & BSE

2021

Entered RF & Microwave Designs through Acquisition of an established RF Company

2022

Company is Heading towards Inaugurating its Weapon Integration Facility by end of FY23 & Felicitated by URSC (formerly known as ISRO Satellite Centre)

2023

Acquired 2.5 Acres of land from Telangana State Industrial Infrastructure Corporation Limited for construction of new manufacturing facility.

AMS' EDGE

COMPETITIVE ADVANTAGE

Robust Order wins with strong order pipeline backed by strong R&D facilities.

Total end – to- End engineering Solutions under one roof.

Creating and deploying cutting-edge technologies.

Niche business model, helping AMS to deliver consistent value to the stakeholders.

38+ years of experience in Design, Development and Assembly of Custom-Built Electronics and Electro-mechanical solutions.

Competitive edge over peers on the back of strong technological competency, superior service offering and a team involving industry veterans.

300+ qualified and experienced skilled workforce including 150 employees in R&D team.

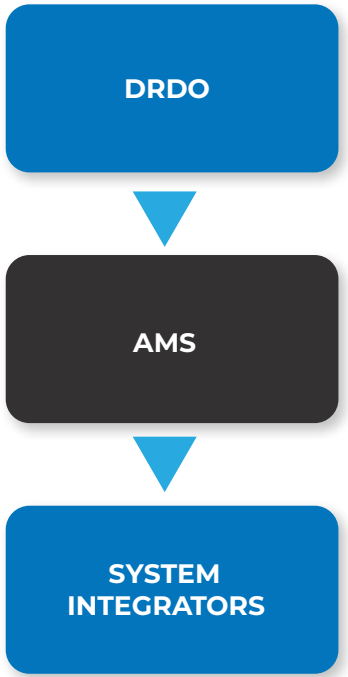
Developing high-performance and time-critical solutions for the Ministry of Defence, government-controlled public sector undertakings and private sector companies.

SERVICE OFFERINGS

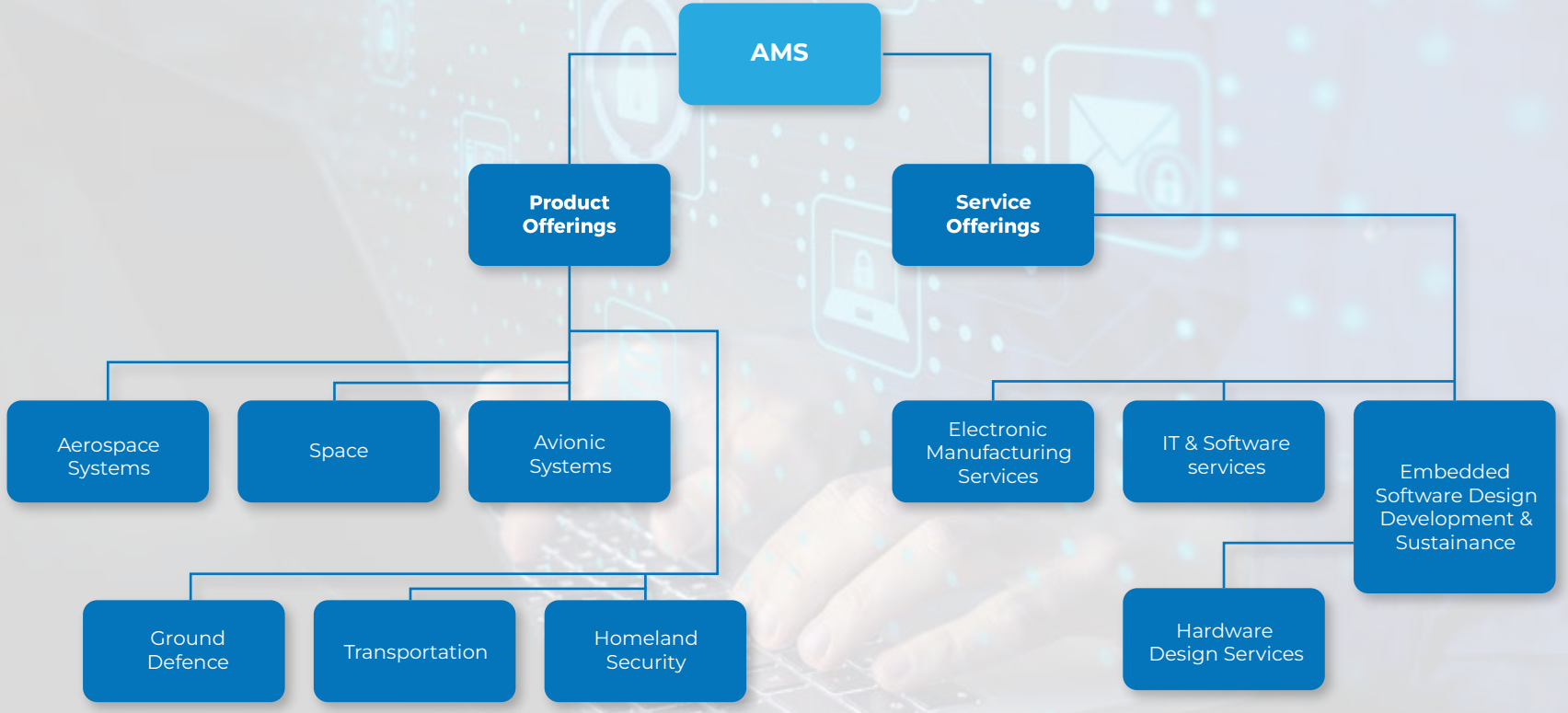
Service Offered	Usage
Electronic Manufacturing Services	• Single source Electronic Manufacturing Services (EMS) under one roof. • Equipped with fully automated SMT lines, AOI, 3D X-Ray machine for BGA components. • Conceptual system design, layout design, manufacturing, and testing of high reliability PCBs, PCBA's, System integration solutions. • **Some of them are -** i) PCB FABRICATION ii) CIRCUIT BOARD ASSEMBLY iii) DESIGN SERVICES & VALUE ENGINEERING iv) CABLE & HARNESS ASSEMBLY
Hardware Design Services	• Board & System Design: Concept to total product development • DSP/FPGA Based Design, PCB Designs, Single Board Computers • Diagnostics, BSP, Driver Development • Design, Circuit Simulation, Analysis and Prototyping • Re-Engineering and Miniaturization • Design Analysis
Embedded Software Design Development & Sustainance	• Complete Software Life Cycle Support • Software Requirement Specifications Generation • Modeling and Simulation • High Level and Detailed Design Implementation • Host Interface Development • Platform Development • Re-Platforming
IT & Software Services	• Various custom built electronic systems for versatile applications. • Application ready systems for our customers • Intuitive software code generations spanning across many programming languages.

AMS A DIFFERENTIATED PRODUCT & SERVICE PROVIDER

UNIQUELY POSITIONED IN THE VALUE CHAIN



PRODUCTS & SERVICE OFFERINGS



1. AMS is a key link which bridges the concept to 'reality phase' for any product from DRDO's implementation point of view.
2. Healthy order wins from System Integrators & Quality Projects from DRDO.
3. Provides an automatic Entry to Barrier on the back of 38+ years of experience.

OUR STEP-AHEAD PRODUCTION PROCESS

RECEIPT OF PURCHASE ORDER

PRELIMINARY DESIGN REVIEW STAGE

SYSTEM DESIGN

QUALITY TESTING

ACEEPTANCE TESTING

RESOURCE ALLOCATION

GENERATING SYSTEM REQUIREMENT SPEC.

PRODUCTION PROTOTYPE UNITS

MANUFACTURING QUALIFIED UNITS

AMS' BUSINESS MODEL

Key Partners

- Electronic component manufacturers
- Defense testing laboratories
- DRDO Scientists
- Other suppliers

Key Activities

- Research
- Designing
- Developing
- Prototyping
- Production
- Testing
- Field trial
- Sourcing contract

Key Resources

- Scientists
- Engineers
- Technicians
- Code writers
- Testers
- Marketing
- Business development

Value Proposition

- Decades of working experience with defence agencies.
- Development as per the required specification in time bound manner.

Customer Relationship

- Dedicated engineers available at field trials
- Need to work closely with DRDO/others

Channels

- Open & Limited Tender
- Sole supplier
- Defense exhibitions

Customer Segments

- MoD
- DRDO and sister concerns
- ISRO
- DPSU
- Heavy engineering Co's
- Other electronics Co's

- The business model of AMS is characterised by high gestation periods and lumpy orders.
- Stringent & long approval process before starting commercial production.
- The above risks are mitigated on the back of 38+ years of technological expertise and experience, which keeps AMS way ahead of its' competitors.

Cost Structure

- Electronic parts/ chips, Electrical/Mechanical components, Consumables
- Factory manufacturing cost
- Software development
- Human resource cost
- R&D and Prototyping
- Promotional activities (Defense exhibitions etc.)

Revenue Streams

- Revenue from sale of electronic systems and sub systems to ADS market. Electronic systems for heavy engineering.

ENGINEERING WORKFLOW

BTS (BUILD-TO-SPEC)

Design, Development, and manufacturing of complex On- Board and ground based electronic systems including software for Aerospace Defence & Space Sectors

BTP (BUILD -TO -PRINT)

AMS offers electronic manufacturing Services and Box Assembly services as a Built to Print Service.

ENGINEERING DESIGNS

Engineering design services & precision machining services with state-of-the-art High Speed CNC machines.

QUALIFICATION TESTING

Equipped with a **full-fledged ESS** facility and offers **Qualification & testing** Services.

PRODUCT PORTFOLIO

Aerospace Systems

Aerospace systems require high reliability, low power consumption. Proven experience and expertise in development and manufacturing of highly critical On-board electronic systems, Integrated Avionics Modules, PCM Encoders, Electro-Mechanical Actuators, RPF Electronic Modules, Ground Based Systems, Launcher Control Systems and Fire Control Systems.

All systems are fully customizable with modular architecture, realized using MIL-qualified and rugged Customized Commercial-Off the-Shelf (C2 OTS) Systems.

Ground Defence

AMS has gained specialized expertise in the development and manufacturing of rugged electronics for military applications.

Ground based military electronics demands meeting stringent vibration, shock, and EMC-EMI requirements. Engineering expertise coupled with in-depth hardware design knowledge makes AMS a unique solution provider delivering a reliable product.

At AMS we offer ruggedized COTS-embedded hardware and software solutions that excel in extreme environments. It meets the highest military standards giving you unprecedented processing, networking, data storage and information assurance capabilities in an operation.

Space

It goes without saying that Space Systems have to meet stringent quality requirements. At AMS, we work for both; Ground based Checkout and Data processing requirements of space applications.

All systems are CCSDS compliant. The unique payload checkout systems which meet multi-mission requirements are the first of their kind technologies.

Avionic Systems

Avionics Systems are complex in nature and each project in this field requires highly engineered and long development and qualification cycles. The entire process from concept to design and manufacturing to providing after sales services is being offered as 'Total Solutions under One Roof by AMS.

AMS has diverse expertise in the development of complex systems for mission critical applications. The system could be a communication or electrical system or an on-board computer, variety of customized COTS solutions are ready to be configured to suit all your avionic system requirements.

Homeland Security & Transportation

Global Security managers are constantly relying on digital visions and recorded data bases to counter or capture vital data to take preventive actions or action after the scene.

At AMS, the team constantly works on different models and scenarios to productively capture the scenes of the crime and applying IMINT (Image Intelligence Technologies) algorithms to capture the culprits in real time or near real time basis.

AMS offers versatile technology solutions for transportation. Solutions include custom-built public-address display systems, warning systems for Rail transportation.

Another key product is vehicle tracking solutions and command control solutions for mining industry.

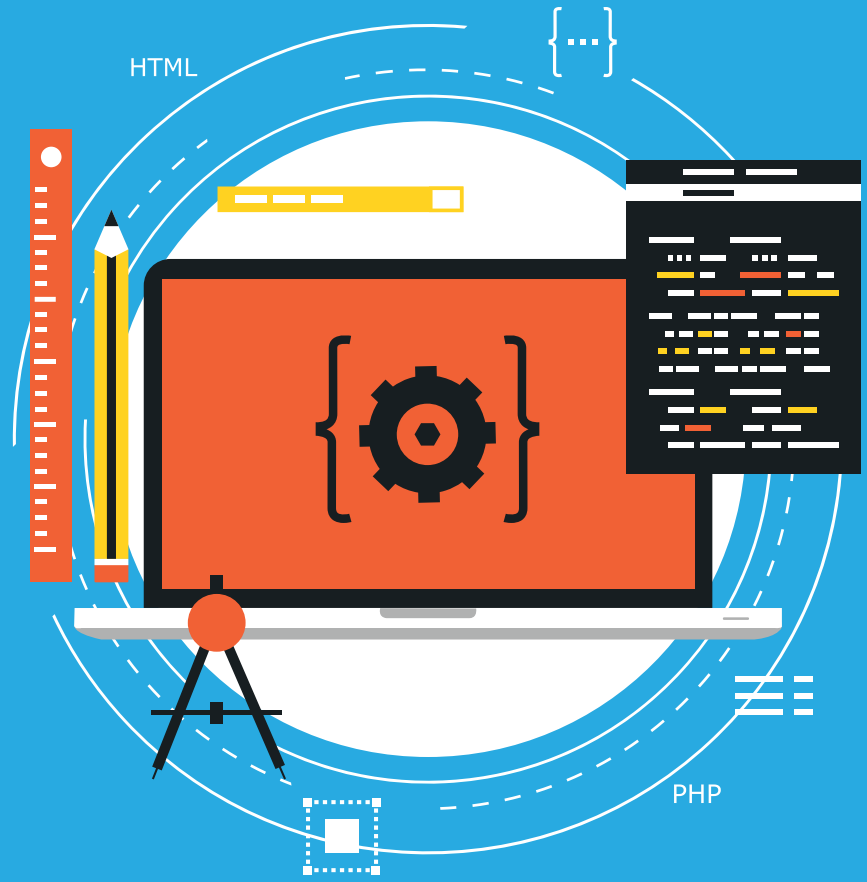
SOFTWARE DESIGN SERVICES

1. **Application Development**
- Custom application development solutions for large and small organizations.
- Migration of existing applications of our clients to new technologies and platforms.

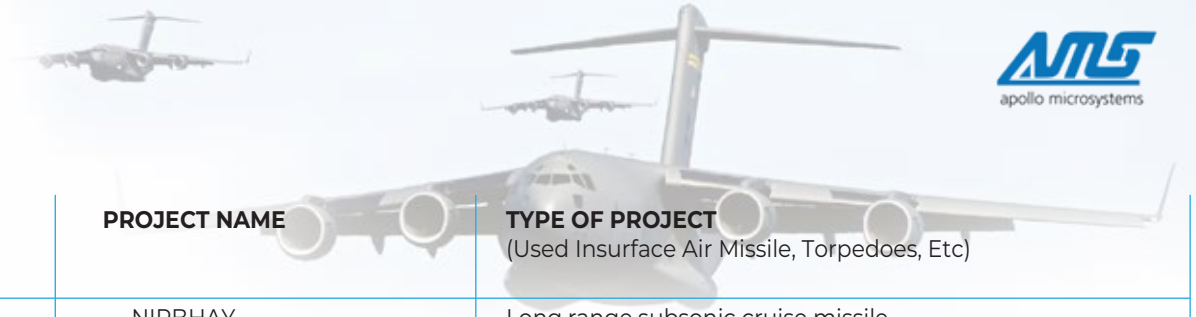
2. **Custom-built application development**
- Client/Server Applications
- Distributed Applications System
- Integration Middle Tier Development
- Database Management System

3. **Device Driver Development**
- Extensive experience working with device drivers.
- Worked on most of the host operating systems for desktops and servers.
- Worked on embedded drivers for platforms of RTOS as well.

4. **Host Drivers**
- Value derivation through rich experience in optimization, performance tuning and certification.
- Capability to develop drivers for PCI, PCI-X, PCLE, PXI, cPCI & PCMCIA.



KEY ROLES IN DEFENCE PROGRAMMES



PROJECT NAME	TYPE OF PROJECT (Used Insurface Air Missile, Torpedoes, Etc)	PROJECT NAME	TYPE OF PROJECT (Used Insurface Air Missile, Torpedoes, Etc)
· VSHORAD	Air Defence System	· NIRBHAY	Long-range subsonic cruise missile
· RUDRAM	Air to Surface Missile	· AGNI	Nuclear Missile
· RUDRAM II & III	Anti Radiation Missile	· ARIHANT/ARIDHAMAN /S4/S4* SUBMARINES	Nuclear Submarine
· NGARM	Anti Radiation Missile		
· STAR	Anti Radiation Missile	· PRALAY	Short Range Ballistic Missile
· LRAHSM	Anti Ship Missile	· VLSR-SAM(ASTRA VARIANT)	Short Range Surface to Air Missile
· NAG	Anti Tank Guided Missile	· EHWT	Submarine Launch Torpedo
· MPATGM	Anti Tank Guided Missile	· K4	Submarine Launched Ballistic Missile
· AMOGHA-2	Anti Tank Guided Missile	· SLCM	Submarine Launched Cruise Missile
· HELINA	Anti Tank Guided Missile	· SFDR	Supersonic Surface to Air Missile
· MPATGM	Anti Tank Guided Missile	· AKASH NG	Surface to Air Missile
· HELINA	Anti Tank Weapon	· QRSAM	Surface to Air Missile
· ATAGS	Artillery Gun System	· AKASH-NG/NGRAM	Surface to Air Missile
· GUIDED PINAKA	Artillery Missile	· SANT	Surface to Air Missile
· PINAKA	Artillery Missile	· AAD/PAD/AD-2	Surface to Air Missile
· TARA	Bomb	· AKASH	Surface to Air Missile
· GARUTHMA & GARUDA	Bomb	· TAL	Torpedo
· LRGB	Bomb	· VARUNASTRA	Torpedo
· C303	Expendable Decoy	· ALWT	Torpedo
· MAAREECH	Expendable Decoy	· RUSTOM-II	UAV
· MOHINI	Expendable Decoy	· MIGM	Underwater Mine
· NASM	Harpoon class anti-ship missile		
· HSTDV	Hypersonic Technology Demonstrator Vehicle		
· SMART	Long RangeAnti Submarine Missile		

INFRASTRUCTURAL FACILITIES & FACILITY CAPABILITIES

END TO END DESIGN, MANUFACTURING AND TESTING SERVICES

UNIT 1

- The manufacturing facility is at a strategic location in Hyderabad with proper connectivity, making it easier to be identified.
- The total area of the land is 2141 Square Yard, has a built up area of 55,000 Square feet and the structure has stilt and G+4 floors, having the capacity to accommodate around ~400 employees.

CAPEX

- AMS is carrying on a massive CAPEX to improve and enhance its' existing Manufacturing Capabilities and to include additional Capacities. With the CAPEX drive, AMS' total Manufacturing capacity will increase to 3,30,000+ Square Feet.

UNIT 2

- AMS is also coming up with an additional facility in Adibadla, Hyderabad with built up area of 50,000 Square feet.
- The management expects to incur Rs. 250 Mn for the construction of this unit

Unit 3

- AMS has recently acquired an additional land for construction of Unit 3. Entire manufacturing operations will be shifted to Unit 3 that will have a built up area of 2,40,000 Square Feet.
- The management expects to incur Rs. 1200Mn for the construction of this unit.

AMS' Facilities

- AMS is equipped with the following high-end tech based facilities:
  - **Mechanical Engineering Division Facilities**
  - **Electronic Manufacturing Services Facilities**
  - **Environmental Test Facilities**
  - **Production & Test Facilities**

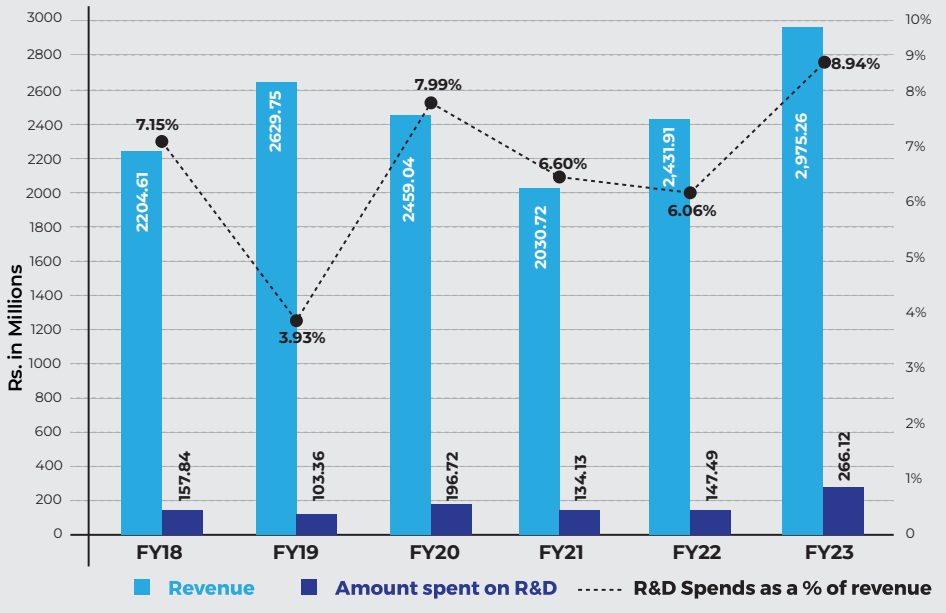
This Capex for huge infrastructural buildings is to facilitate pipeline of large projects expected to receive in upcoming quarters.

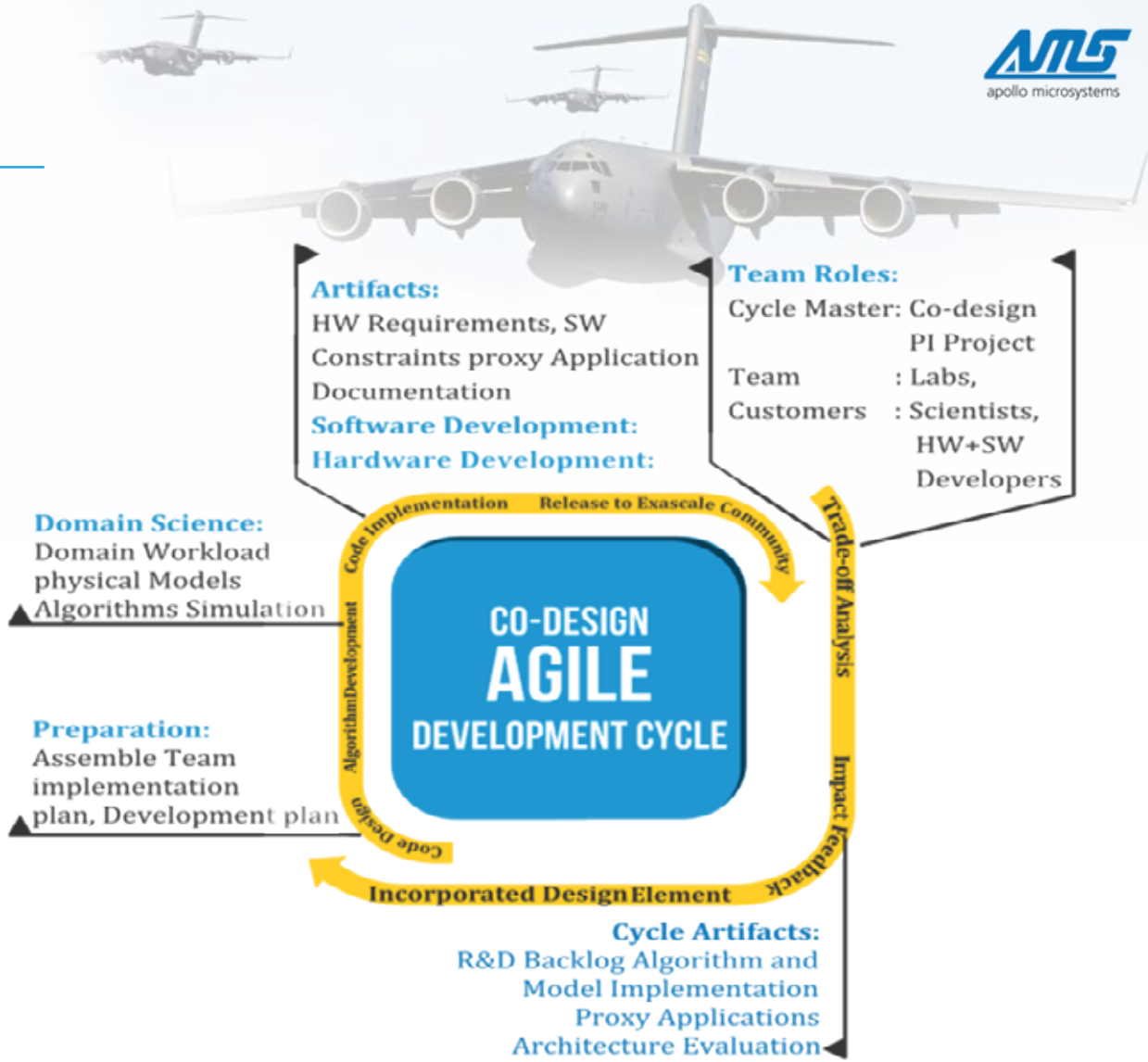
A BRIEF GLIMPSE OF OUR FACILITIES

OUR STEP AHEAD R&D

At AMSL, the R&D team constantly monitors changes in the technological landscape, enabling the Company to efficiently adopt new technologies and upgrade existing ones to meet customer requirements.

- Strong R&D team of 56 engineers with core Competency in developing Embedded Hardware & Software.
- During the year under review, the team has worked relentlessly on various import substitution technologies under Make in India.
- The state-of-the-art technologies available with the Company are one of the key USPs distinguishing it from its peers.
- Immense working knowledge and various controllers, processors, DSP's (Digital Signal Processors), FPGA's (Field Programmable Gate Arrays) etc.
- In FY23, AMS has spent **Rs 266.12 Mn** towards R&D activities.





INDUSTRY OVERVIEW

ESDM SECTORAL OVERVIEW

The Electronics System Design & Manufacturing (ESDM) sector plays a vital role in the government's goal of generating US$ 1 trillion of economic value from the digital economy by 2025. The ESDM sector in India is fuelled by strong policy support, huge investments by public and private stakeholders and a spike in demand for electronic products. This sector has bright prospects ahead of it and is predicted to reach US$ 220 billion by 2025, expanding at 16.1% CAGR between 2019 and 2025.

ESDM SECTOR

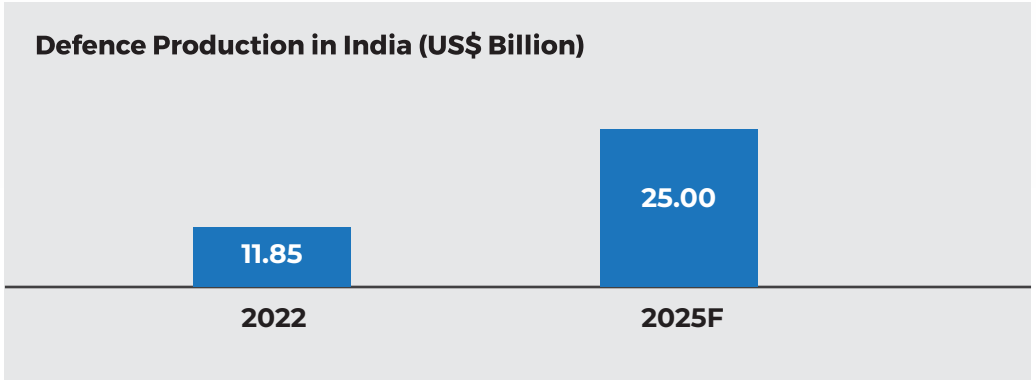
ELECTRONIC PRODUCT	ELECTRONICS COMPONENTS	SEMICONDUCTOR DESIGN	ELECTRONIC MANUFACTURING SERVICES
Electronic product industry basically engages in the firms producing consumer electronic production including automotive electronics, medical devices, industrial electronics etc.	This industry consists of the firms involved in production of core electronic components like resistors, resonators, connectors, transformers, relays etc., which are required in development of electronic circuits and devices.	It consists of companies dealing with design and fabrication of semiconductor devices., like memory products - Dynamic random-access memory (DRAM), NAND flash and Very-large-scale integration (VLSI) based devices etc.	(EMS) consists of designing, testing, manufacturing, distribution, and maintenance of electronic components and assemblies of original equipment manufacturers (OEM).

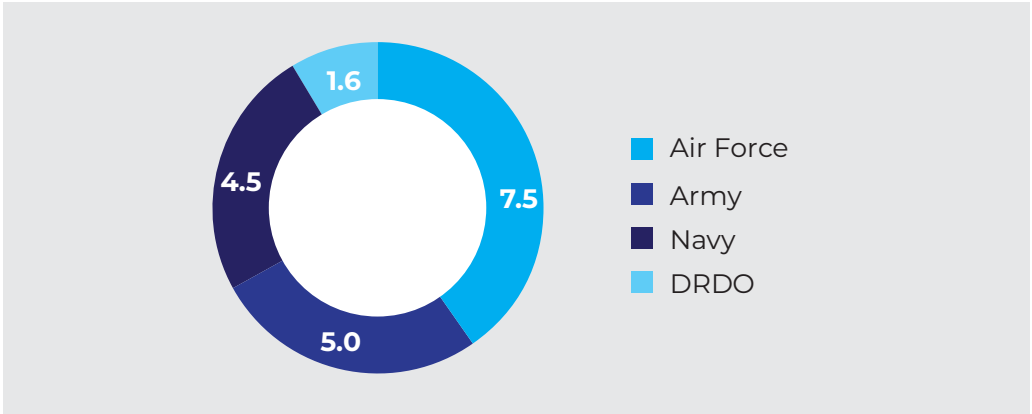
INDUSTRY OVERVIEW

DEFENCE SECTOR

The Indian defence manufacturing industry is a significant sector for the economy. India is one of the strongest military forces in the world and holds a place of strategic importance for the Indian government. The top three largest market segments of the Indian defence sector are military fixed wing, naval vessels and surface combatants, and missiles and missile defence systems.

- Ministry of Defence has been allocated Rs 5,25,166 crore which includes expenditure on modernisation of armed forces, production establishments, maintenance, and research and development of organisations.
- In August 2022, the Ministry of Defence approved the procurement of military equipment and platforms worth Rs. 76,390 crores from domestic industries.
- India's proactive approach towards foreign mutual trade and rising joint agreements with foreign countries such as UAE, Kazakhstan and the US for joint defence manufacturing and strengthening defence ties— offer huge potential growth opportunities to boost defence manufacturing in India.
- According to the Society of Indian Defence Manufacturers (SIDM), India's defence production stood at Rs. 84,644 crores and Indian Defence Exports stood at a whopping Rs. 12,814.52 crores.
- Under the PLI (Production-Linked Incentive) scheme for drones and drone components, incentives totalling Rs 120 crore are provided over the course of three fiscal years, which is over twice the aggregate revenue of all domestic drone manufacturers in FY 2020–21.
- This momentum will boost the defence industry for a couple of decades and thereby the company.
- Manufacturers from all over the world are collaborating with Indian suppliers and small and medium companies to meet the needs of Tier 1 suppliers.
- Global players' active involvement is anticipated to significantly accelerate India's aerospace industry's expansion.





*SOURCE – IBEF

CLIENTELE

DRDO
DEFENCE R&D ORGANISATION
MINISTRY OF DEFENCE

GMR

INCOIS
ESSO- Indian National Centre for Ocean Information Services

BSF
DUTY UNTO DEATH

TELANGANA STATE FOREST
SAVE FORESTS SAVE NATION

NIC
एनआईसी
National Informatics Centre

HAL
हिएएल

INDIAN NAVY

इसरो isro
Indian Space Research Organisation

PIPAVAV

HAL
हिएएल

ASHOK LEYLAND
DEFENCE

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS
QUALITY. TECHNOLOGY. INNOVATION

Punj Lloyd

भारत डायनामिक्स लिमिटेड
BHARAT DYNAMICS LIMITED

INDIAN RAILWAYS

bemL
NEW FRONTIERS. NEW DREAMS

ECIL
Electronics Corporation of India Limited
A Govt. of India (Dept. of Atomic Energy) Enterprise

BHARAT FORGE
KALYANI

L&T Heavy Engineering

TATA ADVANCED SYSTEMS

BHEL
Maharatna Company
50 Years

इसरो isro

SOLAR

भारत इलेक्ट्रॉनिक्स
BHARAT ELECTRONICS

TATA MOTORS
DEFENCE SOLUTIONS

Mahindra
Rise.

TATA STEEL

adani

and many more.....

CERTIFICATIONS RECEIVED

CEMILAC CERTIFICATIONS

सेना उड्डयनयोग्यता और प्रमाणीकरण केंद्र
CENTRE FOR MILITARY AIRWORTHINESS & CERTIFICATION
(ISO: 9001:2008)
DEFENCE R&D ORGANISATION
GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
MARATHAHALLI COLONY P.O
BENGALURU - 560 037

Renewal cum Amendment of Design Approval Number : 152

M/s Deepti Electronics & Electro - Optics Private Limited
Bengaluru - 560 062

This is to state that the Design Approval was issued to M/s Deepti Electronics & Electro - Optics Private Limited, # 3 & 4, 3rd Cross, 7th Main, 4th C Industrial Area, Off. Kanakapura Main Road, Bengaluru - 560 062, India, vide Certificate No. CEMILAC/5062/DH, 152, dated: 27th February 2015, and with its validity up to 26th February 2017

The Design Approval is hereby further renewed for a period of three (03) years w.e.f. 27th February 2017 and is valid up to 26th February 2020 based on the request of the firm received vide their letter No.: DEL/DPT/CEMILAC/2016 – 17/DOC, dated 13th February 2017 unless otherwise suspended, revoked or cancelled.

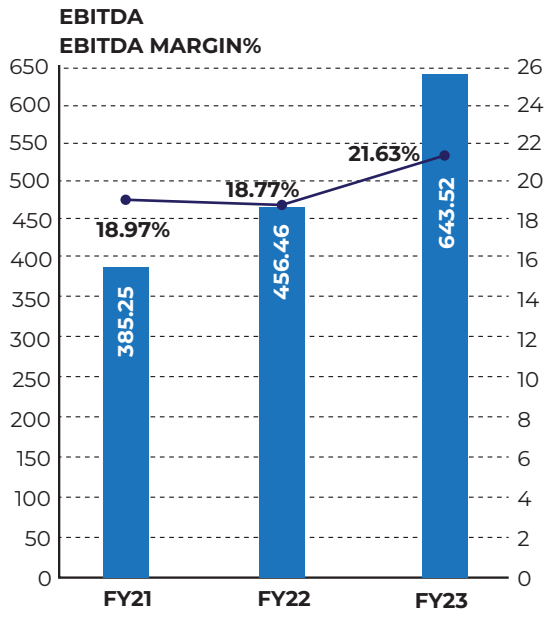
The Amended List of Authorised Signatories is placed as Appendix 'A1'. The development reports, MOI, modifications will be accepted by CEMILAC, only, if they are signed by the authorised signatories.

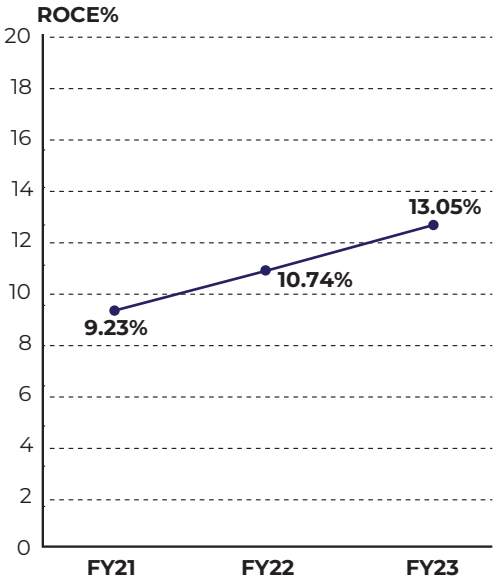
Regular forwarding of brief on Design and Development Activities undertaken and its status at every six (06) months to CEMILAC is a mandatory requirement for subsequent renewal.

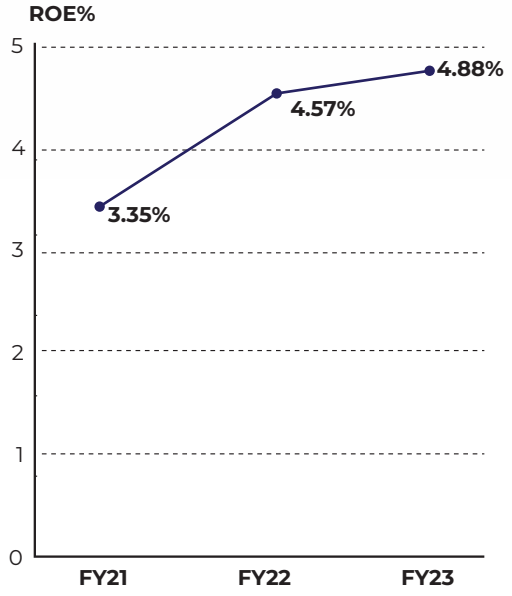
All other terms and conditions quoted in the earlier Approval Certificate will remain unaltered.

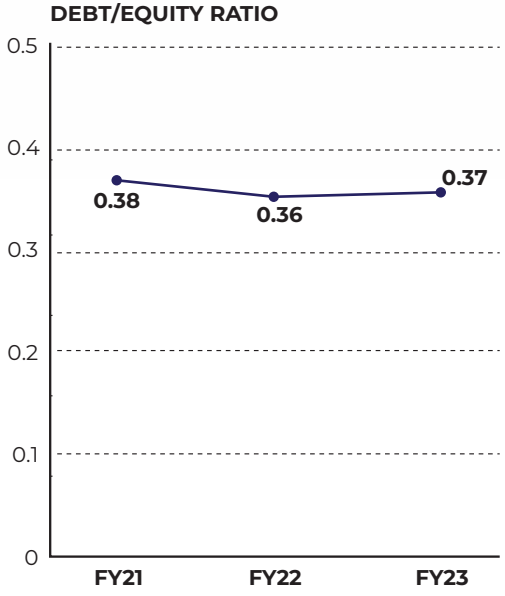
P. JAYAPAL
Chief Executive (Airworthiness)

FINANCIAL SNAPSHOT

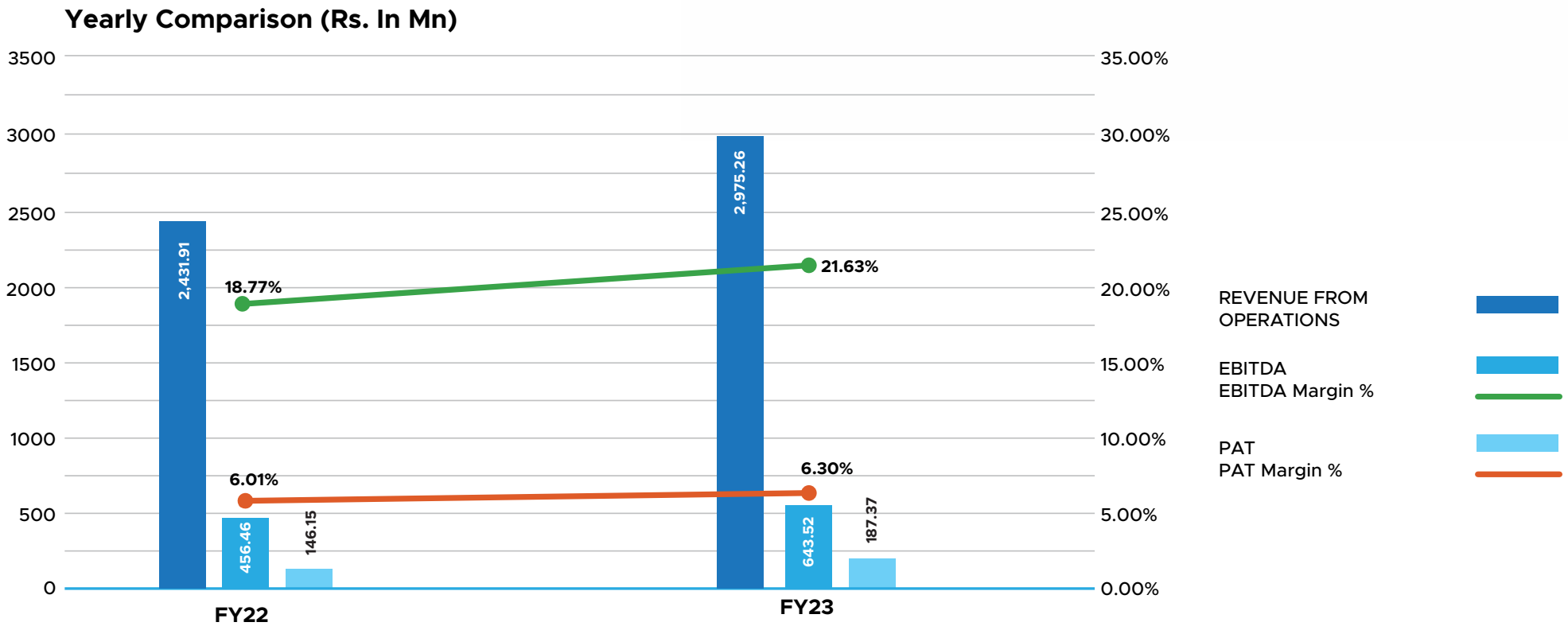








FINANCIAL SNAPSHOT



CONSOLIDATED INCOME STATEMENT

Particulars (Rs. Mn)	FY21	FY22	FY23
Revenue from Operations	2,030.72	2,431.91	2,975.26
Other Income	6.38	7.59	8.24
Total Revenue	**2,037.11**	**2,439.51**	**2,983.50**
Total Expenses excluding Depreciation, Amortization & Finance Cost	1,645.47	1,975.45	2,331.75
EBITDA	**385.25**	**456.46**	**643.52**
EBITDA Margin (%)	**18.97%**	**18.77%**	**21.63%**
Depreciation & Amortization	86.90	89.77	103.66
Finance Cost	160.17	171.78	226.29
PBT & Exceptional Items	-	-	**321.79**
Exceptional Items	-	-	32.22
PBT	**144.57**	**202.51**	**289.57**
Tax	42.06	56.36	102.20
PAT	**102.51**	**146.15**	**187.37**
PAT Margin %	**5.05%**	**6.01%**	**6.30%**
Other Comprehensive Income	0.72	0.04	-0.15
Net PAT	**103.23**	**146.19**	**187.22**
Diluted EPS	**4.94**	**7.04**	**9.02**

*EBITDA is calculated excluding other income

CONSOLIDATED BALANCE SHEET

Particulars (Rs. Mn)	As on 31.03.23	As on 31.03.22	As on 31.03.2021
Assets			
Non-current Assets			
Property, Plant And Equipment	1,048.12	858.85	490.78
Capital WIP	316.37	296.25	522.11
Goodwill	0.19	0.19	0.19
Intangible Assets	1.17	1.76	2.41
Right Of Use Assets	11.83	-	-
Financial Assets	-	-	-
Investments	-	-	-
Other Financial Assets	-	-	-
Other Non-current Assets	15.24	5.39	12.25
Total Non-current Assets	**1,392.90**	**1,162.43**	**1,027.74**
Inventories	3,415.30	2,961.56	2,256.93
Financial Assets	-	-	-
Investments	-	-	-
Trade Receivables	1,465.95	1,364.08	1,694.98
Cash & Cash Equivalents	2.49	3.43	1.28
Other Bank Balances	180.52	158.86	132.73
Loans	7.34	1.72	1.29
Other Current Assets	**461.81**	**339.98**	202.74
Total Current Assets	**5,533.41**	**4,829.63**	**4,289.96**
Total Assets	**6,926.31**	**5,992.05**	**5,317.70**

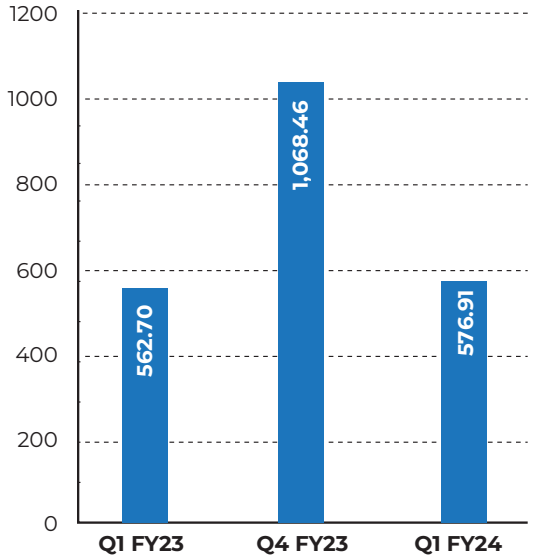
Particulars (Rs. Mn)	As on 31.03.23	As on 31.03.22	As on 31.03.2021
Equity & Liabilities			
Equity			
Equity Share Capital	**207.64**	**207.64**	**207.64**
Other Equity	3,627.28	2,985.46	2,844.44
NCI	7.10	7.22	7.25
Total Equity	**3,842.01**	**3,200.32**	**3,059.33**
Financial Liabilities			
Borrowings	18.66	6.71	2.69
Lease Liabilities	8.46	-	
Other Financial Liabilities	-	-	
Provisions	2.43	8.84	8.30
Deferred Tax Liabilities	265.07	197.71	162.18
Total Non-Current Liabilities	**294.62**	**213.26**	**173.16**
Financial Liabilities			
Borrowings	1,398.45	1,145.62	1,160.67
Lease Liabilities			
Trade Payable	1,122.88	1,280.56	782.98
Other Financial Liabilities	99.31	85.78	73.36
Current Tax Liabilities	50.27	46.34	40.26
Provisions	12.05	2.55	0.97
Other Current Liabilities	106.73	17.62	26.97
Total Current Liabilities	**2,789.69**	**2,578.47**	**2,085.21**
Total Equity & Liabilities	**6,926.31**	**5,992.05**	**5,317.70**

CASHFLOW STATEMENT (FY21/ FY22/ FY23)

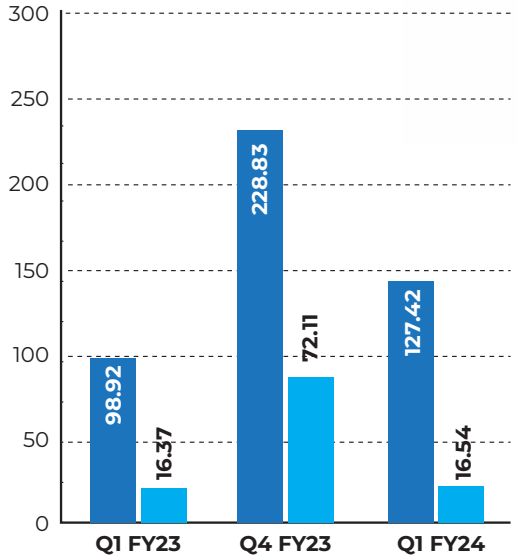
PARTICULARS (in Mn)	FY21	FY22	FY23
Net Cash Generation From Operation	61.89	439.99	-154.78
Net Cash Generation / (Used in Investing)	-226.66	-249.85	-347.57
Net Cash Generation / (Used in Investing)	165.15	-187.99	501.40
Net Increase / Decrease in Cash and Cash	**0.38**	**2.15**	**-0.95**

FINANCIAL SNAPSHOT

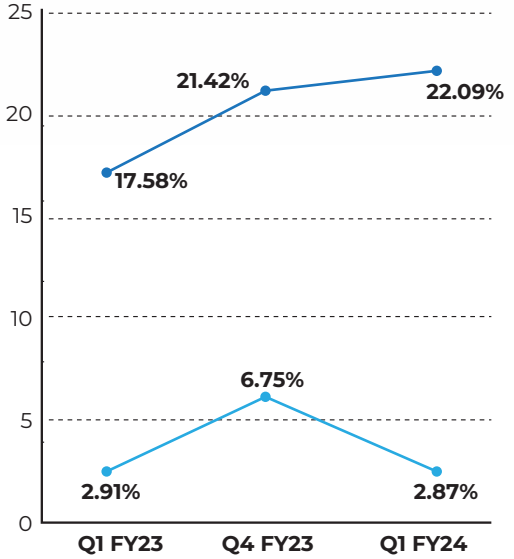
REVENUE FROM OPERATIONS
(Rs. in Millions)



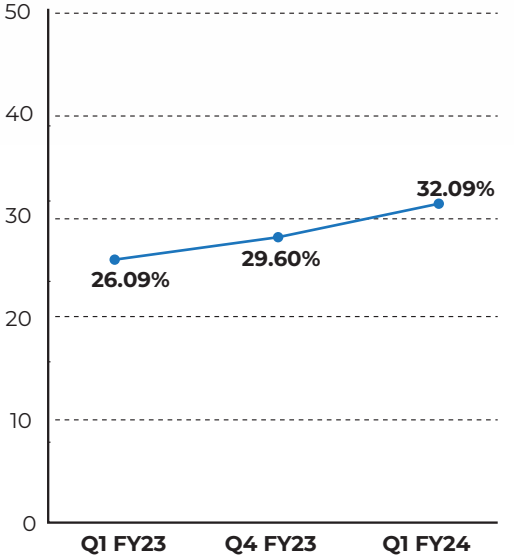
EBITDA
PAT



EBITDA MARGIN
PAT MARGIN



GROSS PROFIT MARGINS



CONSOLIDATED INCOME STATEMENT

Particulars (Rs. Mn)	Q1 FY24	Q1 FY23	YoY%	Q4 FY23
Revenue from Operations	576.91	562.70	2.52%	1,068.46
Other Income	2.23	1.43		0.05
Total Revenue	**579.13**	**564.13**		**1,068.51**
Total Expenses excluding Depreciation, Amortization & Finance Cost	449.49	463.78		839.62
EBITDA	**127.42**	**98.92**	**28.81%**	**228.83**
EBITDA Margin (%)	**22.09%**	**17.58%**	**451 bps**	**21.42%**
Finance Cost	75.25	39.58		74.98
Depreciation & Amortization	26.09	25.16		26.44
PBT before Exceptional Item	**28.31**	**35.61**		**127.47**
Exceptional Items	-	-		14.19
PBT	28.31	35.61		113.27
Tax	11.77	19.24		41.16
PAT	**16.54**	**16.37**	**1.00%**	**72.11**
PAT Margin %	**2.87%**	**2.91%**	**(4 bps)**	**6.75%**
Other comprehensive profit / loss	-	-		(0.15)
Net PAT	**16.54**	**16.37**		**71.96**
Diluted EPS	**0.06**	**0.79**		**2.35**

*EBITDA is calculated excluding other income

A NOTE ON THE WORKING CAPITAL CYCLE

2% Of Quote To Be Deposited

Receipt Of Purchase Order - Tender Stage

Acceptance Of Purchase Order

10% of Work Value as Bg

System Design

Preliminary Design Review Stage

Generating System Requirement Speci Cat Ns

Production Prototype Units

Acceptance Of Prototype Units

Manufacturing Of Qualified Units

Production takes anywhere between 3 to 4 months depending on product type including in-house QA & QC.

Environmental QT and AT*

Installation and QA &QC

Invoicing

Payment

Warranty

Couple of months for QA and QC at Defence location

Invoice is raised upon sending the products to customer

Payment is received in 3 to 6 months period upon raising the bill

Performance BG of 10% for 2 years period

A NOTE ON THE WORKING CAPITAL CYCLE

AMS has a working capital intensive operation owing to long gestation cycles of design, production and qualification of systems. The lead time required by various vendors for manufacturing electronic components especially for defense is as high as 250 days because of unique specifications and requirement of government approved components. As vendors manufacture these components on a just-in-time basis, the company orders a high quantity and stocks components for smooth functioning of the plant, leading to high inventory days.

In the process of execution of the projects, the Company requires a number of components, sub-assemblies and parts which are made in-house, procured from outside by way of job work or procured directly – indigenously and imported. Each and every component procured or manufactured in-house undergoes stringent process testing by In-House QC department and external qualification agencies under DGQA nominated by the customer. The overall availability of the agencies and to obtain approval of the components for further processing of the material like assembly or manufacturing is the key driver in quality assurance policy of defence systems.

The Defence Systems has stringent Qualification and approval guidelines which need to be followed appropriately. Owing to such stretched delivery times of Raw material, elongated Qualification cycles of the systems the overall Working capital cycle are long and has stretched receivable cycle which is norm of the industry.

AMS HAS AN ELONGATED WORKING CAPITAL CYCLE FOR THE FOLLOWING REASONS:

- The Material is procured in MOQ basis as it cannot be cut in smaller quantities.
- The procured material undergoes inspection from customer before they are assembled or used in production process.
- The cycle for inventory inspection is continual and long term which adds to Inventory holding period.
- The procurement cycle of some of the components range upto 36 weeks. Due to this longer procurement cycle we procure components ahead of time to ensure the projects are executed on time.
- Our design teams work closely to ensure that similar type of components are used in most of the programmes thus optimizing the type of inventories and reducing the burden on Inventory holding period.
- The cost of these long lead components which are Hi-Rel or Mil Grade increase on yearly basis, thus there is a price advantage in procuring these components ahead of time. This also improves the cost efficiency and also ensures timely delivery of projects.
- There is no expiry for the material which we procure, except consumables likes Isopropyl which are procured on weekly basis based on the production requirements, hence no expirable stocks would be the nature of our inventory.
- The material procured is stored in ESD safe pallets and ESD safe Almaras thereby ensuring no static damage to the sensitive components. The storage is done as per the recommended IPC guidelines.
- We work on multiple projects some of which are of similar design i.e. using similar type of components and some of them have different type of designs and usage of components. Each and every project has a project cycle in terms of approval of project clearance. It is a challenge to procure the components which range from 1 week to 36 weeks which are appropriately managed by us. As we are a matured player, we knew which project will have critical path in which type of component and accordingly the procurement process, production and quality process are lined. The above reasons add to the inventory level holding. This is a standard procedure of Defence electronics production process to ensure quality in production and this is a standard trend in our business pattern right from beginning.
- After the raw material is accepted the material is qualified for assembly.
- After the assembly is completed once again external QA agencies inspect the same and qualify the product for functional and environmental testing.
- Environmental testing facility to some extent is available In-House and some specific tests like EMC_EMI are outsourced at customer place and integrated testing is done at customer place. Sometimes the availability of the facility also plays a role in earlier project completion

MANAGEMENT GUIDANCE

STRATEGIC OVERVIEW – MANAGEMENT GUIDANCE

Management expects revenue to grow by **45%-50%** from FY23 to FY24, owing to robust order book and expected key projects.

Management is anticipating a healthy growth in the order book from recent orders released to various Defence PSUs

EBITDA margins will stay in the corridor of **22%-23%** led by increasing scale of operations.

CSR ACTIVITIES

The Company has spent **Rs.25.00 Lakhs** through Arunodaya Trust for Sensitization of Students and Communities on **HIV/ Tuberculosis and Cancer** within Telangana and **Rs.22.97 Lakhs** were spent through Development on Communication Arts & Culture Science Economic & Education Centre for Health, Education, Women and Children, Environment and Rural Development. The complete details are given in Annexure A to the Board's Report.

During the year under review the Company has spent **Rs.47.97** Lakhs under its CSR obligation

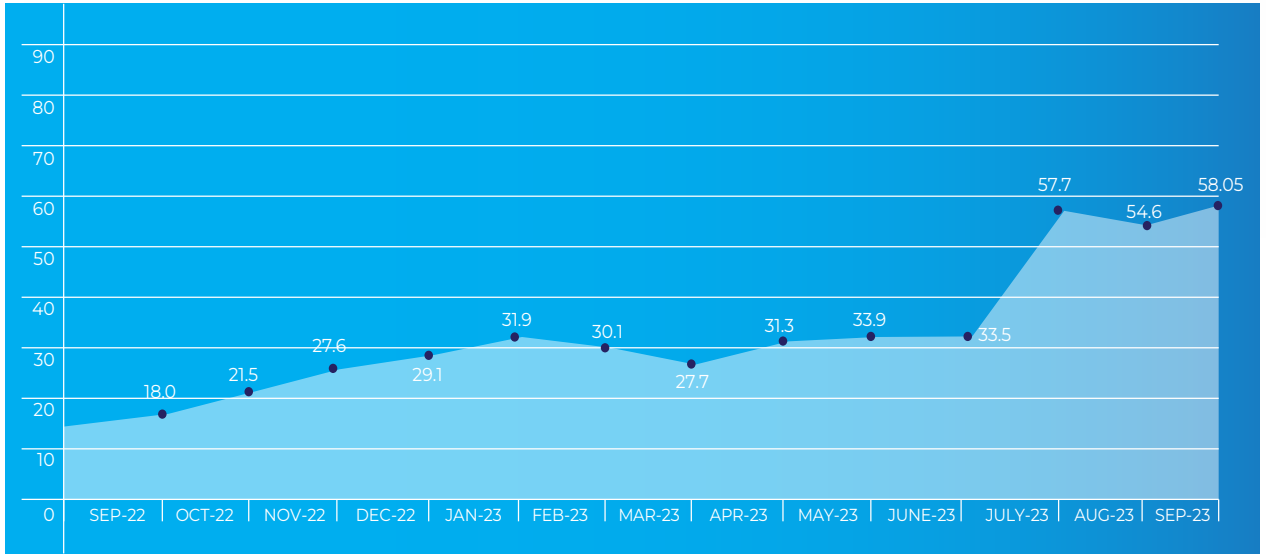
CAPITAL MARKET INFORMATION

BSE Scrip Code / NSE Symbol	540789 / APOLLO
Issued Shares	20,76,38,860
Share Price (As at 25th Sept 2023)	58.05
Market Capitalisation as at 25th Sept 2023 (Rs. Mn)	13,466.00
52 Weeks High/Low	63.58/15.04

Particulars	**% Shareholding**
Promoter & Promoter Group	59.10%
Public	40.90%
Total	100.00%

Source: BSE

Market Price Performance



apollo microsystems

For further information on the Company,
please visit: www.apollo-micro.com

Thank You

For further information contact:

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