



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

Tel : +91 8414-667600
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Website : www.kernex.in



Registered Office :

"TECHNOPOLIS", Plot Nos : 38-41,
Hardware Technology Park,
TSIIC Layout, Raviryal (V),
Hyderabad - 501 510. Telangana, India.

KMIL/SE/Q4/22-23/013

28th May 2023

To The Listing / Compliance Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	To The Listing / Compliance Department National Stock Exchange of India Ltd Plot No.C/1, G Block,Exchange Plaza Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051
BSE Scrip Code: 532686	NSE Symbol: KERNEX

Sir / Madam,

Sub: Submission of Audited Financial Results of the Company, Statement of Assets and Liabilities along with Cash Flow Statements for the period ended 31st March 2023 as per the provisions of SEBI (LODR) Regulations, 2015.

Please find enclosed herewith the following documents in terms of Regulation 33 of SEBI (LODR) Regulations, 2015:

1. Audited Standalone and Consolidated Financial Results of the Company for the fourth quarter and financial year ended 31st March, 2023.
2. Audited Standalone and Consolidated Statement of Assets and Liabilities for the year ended 31st March, 2023 along with the Cash Flow Statements
3. Auditor's Report on Quarterly and Year to Date Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2023 as required under Regulation 33 of SEBI (LODR) Regulations, 2015

This is for your information and necessary records.

Yours faithfully

For **KERNEX MICROSYSTEMS (INDIA) LIMITED**

M B NARAYANA RAJU
WHOLE-TIME DIRECTOR
DIN: 07993925





KERNEX MICROSYSTEMS (INDIA) LIMITED					
Audited STANDALONE Statement of financial results for the quarter and year ended 31st Mar, 2023					
(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)					
Particulars	Quarter ended			Year ended	Year ended
	31-Mar-23	31-Dec-22	31-Mar-22	31-03-203	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
Income					
Revenue from operations	43.30	25.70	76.43	200.36	535.89
Other Income	28.13	45.17	34.09	130.62	180.26
Total income	71.43	70.87	110.52	330.99	716.15
Expenses					
Cost of materials consumed	12.70	119.75	60.60	254.16	257.66
Purchases of stock in trade	-	-	-	-	-
Changes in inventories of finished goods, work in progress and stock in trade	-129.05	-	13.14	-132.88	84.84
Employee benefit expense	238.68	198.19	149.89	749.72	577.86
Finance cost	29.64	78.30	54.20	197.94	240.00
Depreciation and amortization expense	135.61	35.31	28.03	238.62	143.59
Other expenses	508.39	150.82	187.03	961.50	592.02
Total expenses	795.99	582.37	492.90	2,269.06	1,895.98
Profit/(loss) before extraordinary, exceptional	-724.56	-511.51	-382.37	-1,938.07	-1,179.83
Exceptional items	-	-	-442.58	-	-442.58
Profit/(loss) before tax	-724.56	-511.51	-824.95	-1,938.07	-1,622.41
Tax expense					
(i) Current tax		-			-
(ii) Previous years tax		-			-
(iii) Deferred tax	17.50	18.12	9.76	47.65	35.11
Net profit/(loss) for the year	-742.06	-529.62	-834.71	-1,985.72	-1,657.52
Other comprehensive income					
Items that will not be reclassified to Statement of Profit and loss					
(i) Remeasurement gains/(losses) of the defined benefit plans	-0.88		-13.62	-0.88	-13.62
(ii) Income tax effect on the above					
B (i) Items that will be reclassified to Statement of Profit and loss					
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss					
Total comprehensive Income for the year	-742.94	-529.62	-848.33	-1,986.60	-1,671.15
Earnings per equity share (EPS)					
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	1,545.94	1,379.97	1,249.97	1,545.94	1,249.97
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	-4.91	-3.84	-6.68	-14.67	-13.26

M.S. D. G.

**Notes:**

1. The above Audited Standalone Financial Results were reviewed and recommended by the Audit Committee and are considered and approved by the Board of Directors at their meeting held on 28th May'2023. These results are as per Regulation 33 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.C1R/CFD/FAC/62/2016 dated 05th July'16.
2. The Company operates in one reportable segment i.e., Safety Systems for Railways and hence segment reporting as per Ind AS-108 is not applicable.
3. These financials results have been prepared in accordance with the Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended and other accounting principles generally accepted in India.
4. The Company's assessment of recoverability and impairment of certain financial assets, namely receivables, income tax assets, Margin Money / Security Deposits secured for customer guarantees under arbitration/negotiation as on 31 March 2023 is subject to several management judgments and estimates that are based on prevailing conditions and circumstances as on the date of approval of these standalone financial statements. However, actual results may differ from these estimates as on the date of approval of these standalone financial statements due to the following reasons.
 - a. Recoverability of income tax assets (TDS Receivables) for respective years will depend on the outcome of the assessment proceedings which are yet to be closed. Recoverability of MAT credit would depend on the Company ability to earn taxable profits in future before expiry of the time limit prescribed for carry forward of MAT Credit.
 - b. The company has deposited margin money with banks for extending guarantees to customers per contracts which are under arbitration / negotiation the outcome of which may determine the recoverability thereof.
 - c. Certain trade receivables may be affected due to delays in final deliverables on account of COVID 19 and the company decision to pre-close the project.
5. The figures for the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the current financial year.
6. Figures for the previous periods have been regrouped/rearranged, wherever considered necessary, in line with the current period presentation.
7. The results for the quarter ended 31st March'2023 are also available on websites of BSE Limited and National Stock Exchange of India Limited and on the Company's Website

Place **Hyderabad**By order of the Board of Directors
For **Kernex Microsystems (India) Limited**Date **28th May 2023****M B Narayana Raju**
Whole Time Director
DIN -07993925



Particulars	As at	As at
	31-Mar-23	31-Mar-22
KERNEX MICROSYSTEMS (INDIA) LIMITED		
Audited STANDALONE Statement of Assets and Liabilities as at 31st Mar, 2023		
<i>(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)</i>		
ASSETS		
Non-current assets		
Property, Plant and Equipment	2,372.95	2,548.25
Capital work-in-progress	-	-
Intangible assets	0.35	0.95
Financial assets	-	-
Investments	1,283.97	803.78
Other financial assets	12.92	13.43
Deffered tax assets (net)	-	-
Income tax Assets	277.83	260.19
Total non-current assets	3,948.03	3,626.59
Current assets		
Inventories	1,222.20	715.10
Financial assets	-	-
Trade receivables	937.79	1,137.82
Cash and cash equivalents	11.26	626.41
Other bank balances	3,212.86	1,265.82
Other financial assets	-	2.70
Other current assets	1,813.26	862.02
Total current assets	7,197.36	4,609.87
TOTAL ASSETS	11,145.39	8,236.47
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1,545.94	1,249.97
Other equity	7,683.12	4,609.63
Total Equity	9,229.07	5,859.60
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	47.55	-
Provisions	35.30	19.98
Deferred tax liabilities	123.45	75.80
Other Non-current liabilities	-	-
Total Non-current liabilities	206.30	95.79
Current liabilities		
Financial liabilities		
Borrowings	819.43	1,194.77
Trade Payables	-	-
Dues of small enterprises and micro enterprises	0.10	27.22
Dues of creditors other than small enterprises and micro enterprises	317.23	289.31
Other financial liabilities	404.62	2.46
Other current liabilities	168.63	767.33
Provisions	-	-
Total current liabilities	1,710.03	2,281.09
TOTAL EQUITY AND LIABILITIES	11,145.39	8,236.47

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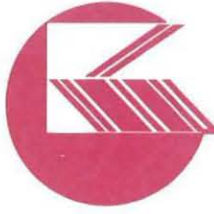
KERNEX MICROSYSTEMS (INDIA) LIMITED

Statement of Cash Flows for the year ended 31 March, 2023

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

Particulars	30-Mar-23	31-Mar-22
Cash flows from operating activities		
Profit / (loss) before tax	-1,938.60	-1,622.41
Adjustments to reconcile net loss to net cash provided by operating	-	-
Depreciation and amortisation	238.62	143.59
Other comprehensive income	-	-
Foreign currency translation gain / (loss)	120.61	-25.11
Written off / provision for obsolete stock	-	-
Sundry balances written off	-	-
Provision for doubtful debts/advances/written off	210.15	-
Provision for expected credit loss	-	-
Provision for slow/non moving stocks	-	-
Liabilities no longer required written off	11.04	-
(Profit) on disposal of property, plant and equipment	-	-75.39
Receivable on sale of fixed asset written off	-	442.58
Expenses for sale of land	-	-
Finance costs	197.94	240.00
Interest income	-53.00	-91.25
Other non operating income	-	-
Changes in assets and liabilities	-	-
Trade receivables	200.03	143.31
Inventories	-690.23	119.56
Other assets	-1,112.78	335.34
Trade payables	0.80	-23.50
Other liabilities	-169.19	-123.01
Net cash flow from operating activities A	-2,984.61	-536.29
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	553.69
Purchase of property, plant and equipment	-62.58	-15.76
Investment in 100% WOS	-480.19	-
Investment in JV	-	-
Expenses for sale of land	-	-
Other non operating income	-	-
Interest income	53.00	91.25
Net cash flow used in investing activities B	-489.77	629.18
Cash flow from financing activities		
Proceeds from issuance of equity share capital	5,331.98	-
Proceeds from Share application money	-	552.00
Repayment of borrowings	-327.78	-186.59
Finance costs	-197.94	-240.00
Net cash flow (used in)/from financing activities C	4,806.26	125.41
Net increase in cash and cash equivalents (A+B+C) A+B+C	1,331.88	218.30
Cash and bank balances at the beginning of the year	1,892.23	1,673.94
Less: Bank deposits with less than 12 months maturity	3,212.86	1,265.82
Cash and cash equivalents at the end of the year	11.26	626.41

M. S. D. S.



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

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TSIIC Layout, Raviryal (V),
Hyderabad - 501 510. Telangana, India.

KMIL/SE/Q4/22-23/15

28th May 2023

To The Listing / Compliance Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 BSE Scrip Code: 532686	To The Listing / Compliance Department National Stock Exchange of India Ltd Plot No.C/1, G Block, Exchange Plaza Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051 NSE Symbol: KERNEX
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Sir / Madam,

Sub: Declaration Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Unmodified Opinion.

DECLARATION FOR UNMODIFIED OPINION

I, M. B Narayana Raju, Whole Time Director of M/s. Kernex Microsystems (India) Limited having its Registered office at Plot No.38-41, Hardware Park, TSIIC Layout Survey no.1/1. Kancha Imarat, Raviryal (Village), Maheswaram Mandal, Ranga Reddy (Dist.) Hyderabad - 501 510, hereby declare that, the Statutory Auditors of the company i.e. M/s. PRSV & Co., LLP, Chartered Accountants, represented by its Partner Mr. Raja Praturi, holding Membership No. 020615, have issued an Audit Report with Unmodified Opinion on Audited Standalone Financial Results for the Quarter and Year Ended 31st March, 2023.

This Declaration is issued in compliance with Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015 as amended vide its circular no CIR/CFD/CMD/56/2016 dated 27 May, 2016.

Yours faithfully

For **KERNEX MICROSYSTEMS (INDIA) LIMITED**


M B NARAYANA RAJU
WHOLE-TIME DIRECTOR
DIN: 07993925





Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended

To
The Board of Directors of
KERNEX MICROSYSTEMS (INDIA) LIMITED

Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of Audited Standalone Financial Results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** ("the Company") for the quarter and year ended 31st March 2023 ("The Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Regulation') as amended.

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- a) Is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- b) Gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the standalone net profit and other comprehensive income and other financial information of the Company for the quarter and year ended 31st March 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

We draw attention to Note No 4 to the Statement, which describes that the Company has assessed the recoverability and impairment of certain financial assets namely Trade Receivables including Rs. 414.57 lakhs from Related Party, income tax assets and Margin money / Security deposits secured for customer guarantees under arbitration/negotiation. Such assessments are based on current facts and circumstances and may not necessarily reflect future uncertainties and events and the final recoverable amount may vary for the reasons mentioned therein.

Our conclusion on the statement is not modified in respect of these matters.

Responsibilities of Management for the Standalone Financial Results

The statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone financial statements which has been prepared in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion through a separate report on the complete set of the stand-alone Financial Statements on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Financial Statements made by the Management and the Board of Directors.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

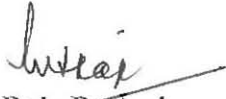
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matter

The Statement includes the results for the Quarter ended 31st March 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the Listing Regulations.

For PRSV & Co. LLP
Chartered Accountants
Firm's Registration No. S200016



Raja Praturi
Partner
Membership No. 020615



UDIN: 23020615BGYNKY7297

Place: Hyderabad
Date: 28th May 2023





KERNEX MICROSYSTEMS (INDIA) LIMITED

Audited CONSOLIDATED Statement of financial results for the quarter and year ended 31st Mar, 2023

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

Particulars	Quarter ended			Year ended	
	31-Mar-23	31-Dec-22	31-Mar-22	31-Mar-23	31-Mar-22
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations	51.75	210.72	84.46	403.96	665.15
Other Income	-150.86	194.76	34.32	78.23	170.94
Total income	76.70	405.48	118.78	482.18	836.09
Expenses					
Cost of materials consumed	18.71	274.64	60.60	415.07	278.62
Purchases of stock in trade	-	-	-	-	-
Changes in inventories of finished goods, work in progress and stock in trade	-129.05	-	13.14	-132.88	84.84
Employee benefit expense	250.68	210.19	161.89	797.72	625.86
Finance cost	-125.88	81.32	93.25	82.14	329.47
Depreciation and amortization expense	135.63	35.33	28.05	238.71	143.68
Other expenses	571.20	152.72	188.93	1,035.82	617.08
Total expenses	721.30	754.20	545.87	2,436.57	2,079.55
Share of Profit/(loss) of Joint venture					
Profit/(loss) before extraordinary, exceptional items and tax	-820.41	-348.72	-427.09	-1,954.38	-1,243.46
Extraordinary items	-	-	-	-	-
Exceptional items	-	-	-442.58	-	-442.58
Profit/(loss) before tax	-820.41	-348.72	-869.67	-1,954.38	-1,686.04
Tax expense					
(i) Current tax					-
(ii) Previous years tax					-
(ii) Deferred tax	17.50	18.12	9.76	47.65	35.11
Net profit/(loss) for the period/year	-837.90	-366.84	-879.43	-2,002.03	-1,721.16
Attributable to					
Shareholders of the Company	-824.42	-363.38	-880.27	-1,981.52	-1,719.85
Non controlling interest	-13.48	-3.46	-0.84	-20.51	-1.30
Other comprehensive income					
A (i) Items that will not be reclassified to Statement of Profit and loss	-0.88	-	-13.62	-0.88	-13.62
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and loss	-	-	-	-	-
B (i) Items that will be reclassified to Statement of Profit and loss	-24.13	25.24	18.00	38.96	88.43
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss	-	-	-	-	-
Total comprehensive Income	-862.91	-341.60	-876.72	-1,963.95	-1,646.34
Attributable to					
Shareholders of the Company	-849.43	-338.14	5.22	-1,943.44	-1,645.04
Non controlling interest	-13.48	-3.46	-0.84	-20.51	-1.30
Earnings per equity share (EPS)					
Paid up Equity Share Capital (Face value of Rs.10/each per equity share)	1,545.94	1,379.97	1,249.97	1,545.94	1,249.97
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	-4.91	-2.66	-7.04	-14.67	-13.77

M. S. ...

**Notes:**

1. The above Audited Consolidated Financial Results were reviewed and recommended by the Audit Committee are considered and approved by the Board of Directors at their meeting held on 28th May'2023. These results are as per Regulation 33 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.C1R/CFD/FAC/62/2016 dated 05th July'16.
2. The Company operates in one reportable segment i.e. Safety Systems for Railways and hence segment reporting as per Ind AS-108 is not applicable.
3. These financials results have been prepared in accordance with the Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended and other accounting principles generally accepted in India.
4. The Company's assessment of recoverability and impairment of certain financials assets, namely receivables, income tax assets, Margin Money / Security Deposits secured for customer guarantees under arbitration/negotiation as on 31 Mach 2023 is subject to several management judgments and estimates that are based on prevailing conditions and circumstances as on the date of approval of these standalone financial statements. However, actual results may differ from these estimates as on the date of approval of these standalone financial statements due to the following reasons.
 - a. Recoverability of income tax assets (TDS Receivables) for respective years will depend on the outcome of the assessment proceedings which are yet to be closed. Recoverability of MAT credit would depend on the Company ability to earn taxable profits in future before expiry of the time limit prescribed for carry forward of MAT Credit.
 - b. The company has deposited margin money with banks for extending guarantees to customers per contracts which are under arbitration / negotiation the outcome of which may determine the recoverability thereof.
 - c. Certain trade receivables may be affected due to delays in final deliverables on account of COVID 19 and the company decision to pre-close the project.
5. The figures for the last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the current financial year. Consequently other income and finance costs are depicting negative figures due to year end reversals.
6. Figures for the previous periods have been regrouped/rearranged, wherever considered necessary, in line with the current period presentation.
7. The results for the quarter ended 31st March'2023 are also available on websites of BSE Limited and National Stock Exchange of India Limited and on the Company's Website

Place **Hyderabad**Date **28th May 2023**By order of the Board of Directors
For Kernex Microsystems (India) Limited
M B Narayana Raju
Whole Time Director
DIN -07993925



KERNEX MICROSYSTEMS (INDIA) LIMITED

Audited CONSOLIDATED Statement of Assets and Liabilities as at 31st Mar, 2023

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

Particulars	As at	As at
	31-Mar-23	31-Mar-22
	Audited	Audited
ASSETS		
Non-current assets		
Property, Plant and Equipment	2,372.95	2,548.25
Intangible assets	0.35	0.95
Financial assets	-	-
Other financial assets	214.77	13.43
Income tax Assets	277.83	260.99
Total non-current assets	2,865.91	2,823.61
Current assets		
Inventories	1,222.20	715.10
Financial assets	-	-
Trade receivables	914.70	1,085.06
Cash and cash equivalents	29.41	657.33
Other bank balances	3,231.89	1,283.98
Other financial assets	0.18	204.54
Other current assets	1,899.96	983.43
Total current assets	7,298.33	4,929.44
TOTAL ASSETS	10,164.23	7,753.06
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1,547.94	1,249.97
Other equity	6,667.21	3,573.30
Equity attributable to Shareholders of the Company	8,215.15	4,823.26
Non-controlling interests	-12.14	9.05
Total Equity	8,203.01	4,832.31
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	47.55	-
Deferred tax liabilities	123.45	75.80
Other Non-current liabilities	-	-
Provisions	35.30	19.98
Total Non-current liabilities	206.30	95.79
Current liabilities		
Financial liabilities		
Borrowings	1,022.61	1,805.36
Trade Payables	-	-
Dues of small enterprises and micro enterprises	0.10	27.22
Dues of creditors other than small enterprises and micro enterprises	33.17	149.36
Other financial liabilities	524.62	2.46
Other current liabilities	174.42	840.56
Provisions		
Total current liabilities	1,754.93	2,824.96
TOTAL EQUITY AND LIABILITIES	10,164.23	7,753.06

M. N. Reddy



KERNEX MICROSYSTEMS (INDIA) LIMITED

CONSOLIDATED Statement of Cash Flows for the year ended 31st Mar, 2023

(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)

Particulars	31-Mar-23	31-Mar-22
Cash flows from operating activities		
Profit / (Loss) before tax	-1,954.73	-1,686.04
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortisation	238.71	143.68
Foreign Currency translation reserve	120.61	-25.11
Written off / Provision for obsolete stock	-	-
Sundry balances written off	-	-
Provision for Doubtful Advances	210.15	-
Provision for expected credit loss	-	-
Provision for slow/non moving stocks	-	-
Liabilities no longer required written off	-11.04	-
(Profit) / Loss on sale of Fixed assets	-	-75.39
Receivable on sale of fixed asset written off	-	442.58
Finance costs	78.02	329.47
Interest income	-	-91.25
Changes in assets and liabilities		
Trade receivables	170.36	113.02
Inventories	-690.23	119.56
Other assets	-736.50	418.88
Trade payables	140.75	-63.00
Other liabilities	-304.77	-87.75
Net cash flow from operating activities (A)	-2,738.67	-461.37
Cash flows from investing activities		
Sale of Fixed Assets	-	553.69
Purchase of property, plant and equipment	-69.12	-15.76
Interest received	-	91.25
Net cash flow used in investing activities (B)	-69.12	629.18
Cash flow from financing activities		
Proceeds from issuance of equity share capital	5,331.98	-
Proceeds from Share application money	-	552.00
(Repayment)/Increase of long term borrowings	-1,126.19	-219.27
Finance costs	-78.02	-329.47
Net cash flow (used in)/from financing activities (C)	4,127.77	3.26
Net increase in cash and cash equivalents (A+B+C)	1,319.97	171.07
Cash and Bank Balances at the beginning of the year	1,941.32	1,770.25
Cash and cash equivalents at the end of the year	3,261.29	1,941.32

M. S. D.



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

Tel : +91 8414-667600
Fax : +91 8414-667695
email : kernex@kernex.in
Website : www.kernex.in



Registered Office :

"TECHNOPOLIS", Plot Nos : 38-41,
Hardware Technology Park,
TSIIC Layout, Raviryal (V),
Hyderabad - 501 510. Telangana, India.

KMIL/SE/Q4/22-23/15

28th May 2023

To The Listing / Compliance Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 BSE Scrip Code: 532686	To The Listing / Compliance Department National Stock Exchange of India Ltd Plot No.C/1, G Block, Exchange Plaza Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051 NSE Symbol: KERNEX
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Sir / Madam,

Sub: Declaration Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Unmodified Opinion.

DECLARATION FOR UNMODIFIED OPINION

I, M. B Narayana Raju, Whole Time Director of M/s. Kernex Microsystems (India) Limited having its Registered office at Plot No.38-41, Hardware Park, TSIIC Layout Survey no.1/1. Kancha Imarat, Raviryal (Village), Maheswaram Mandal, Ranga Reddy (Dist.) Hyderabad - 501 510, hereby declare that the Statutory Auditors of the company i.e. M/s. PRSV & Co., LLP, Chartered Accountants, represented by its Partner Mr. Raja Praturi, holding Membership No. 020615, have issued an Audit Report with Unmodified Opinion on Audited Consolidated Financial Results for the Quarter and Year Ended 31st March, 2023.

This Declaration is issued in compliance with Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015 as amended vide its circular no CIR/CFD/CMD/56/2016 dated 27 May, 2016.

Yours faithfully

For **KERNEX MICROSYSTEMS (INDIA) LIMITED**

M. B. Narayana Raju
M B NARAYANA RAJU
WHOLE-TIME DIRECTOR
DIN: 07993925





Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.

To
The Board of Directors of
KERNEX MICROSYSTEMS (INDIA) LIMITED

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of audited consolidated financial results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** ("the Holding Company) its subsidiary entity and Joint venture for the quarter and year ended 31st March 2023 ("the statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("the Regulation") as amended.

In our opinion and to the best of our information and according to the explanations given to us, the Statement

- a) Includes the results of the following entities

Holding Company

Kernex Microsystems (India) Limited

Wholly Owned Subsidiary

Avant-Garde Infosystems Inc, USA

Controlled entity (Joint Venture)

Kernex TCAS JV (With 80% share to the Company)

- b) Is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("the Regulation") as amended and
- c) Gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the consolidated net loss and other comprehensive income and other financial information of the Company for the quarter and year ended 31st March, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the



Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No 4 to the Statement, which describes that the Company has assessed the recoverability and impairment of certain financial assets namely Trade Receivables including Rs. 414.57 lakhs from Related Party, Income tax assets and Margin money / Security deposits secured for customer guarantees under arbitration/negotiation. Such assessments are based on current facts and circumstances and may not necessarily reflect future uncertainties and events and the final recoverable amount may vary for the reasons mentioned therein.

Our conclusion on the statement is not modified in respect of the above matter.

Responsibilities of Management for the Consolidated Financial Results

The statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.



Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- d) Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision, and performance of the audit of the financial information of such entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them . We remain solely responsible for our audit opinion.
- e) Evaluate the overall presentation, structure and content of the statement, including the disclosures, and whether the statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matter

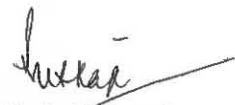
1. The consolidated financial results include the Un-audited financial statements / information of one wholly owned subsidiary whose financial information / statements in their standalone financial results reflect total assets of Rs. 641.80 Lakhs as at 31-3-2023 and total revenues of Rs. 190.05 lakhs, total net profit after tax of Rs. 86.22 lakhs and total comprehensive income 86.22 lakh for the year ended on that date. These financial statements / information have not been audited by us. These financial statements / information are unaudited and have been furnished to us by the management and our opinion on the statement in so far as it relates to the amounts and disclosures included in respect of this Subsidiary is based solely on such un-audited financial statement / information. Our opinion on the statement is not modified in respect of this matter.
2. We did not audit the financial statements / financial information of one Joint Venture included in the consolidated financial results whose financial statements / financial information in their respective standalone financial results reflect total assets of Rs. 448.72 Lakh as at 31-3-2023 and total revenues of Rs. 102.95 lakhs, total net Loss after tax of Rs.102.54 lakhs and total comprehensive loss of Rs.102.54 lakh for the year ended on that date. These financial statements / information have been by audited by other Auditors whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in respect of this Joint venture is based solely on the report of such other Auditors and the procedures performed by us as stated in paragraph 3 above.

The Statement includes the results for the Quarter ended 31st March 2023 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us, as required under the Listing Regulations.

For PRSV & Co. LLP

Chartered Accountants

Firm's Registration No. S200016



Raja Praturi

Partner

Membership No. 020615



UDIN: 23020615BGYNNZ1506

Place: Hyderabad

Date: 28 May 2023

