



# 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/Q4/22-23/020

29<sup>th</sup> May 2022

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
<b>BSE Scrip Code: 532686</b>	<b>NSE Symbol: KERNEX</b>

Sir / Madam,

**Sub: Submission of Audited Financial Results of the Company, Statement of Assets and Liabilities 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 31<sup>st</sup> March, 2022 along with the Cash Flow Statements.
2. Standalone and Consolidated Statement of Assets and Liabilities for the year ended 31<sup>st</sup> March, 2022
3. Auditor's Report on Quarterly and Year to Date Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March, 2022 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**  
DIRECTOR  
DIN No.07993925



  
**PRASADA RAO KALLURI**  
COMPANY SECRETARY



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KMIL/SE/Q4/22-23/022

29<sup>th</sup> May 2022

To The Listing / Compliance Department Bombay Stock Exchange 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
<b>BSE Scrip Code: 532686</b>	<b>NSE Symbol: KERNEX</b>

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 M/s. PRSV & Co., LLP, Chartered Accountants, represented by its Partner Mr. Y. Venkateswarlu, holding Membership No. 222068, have issued an Audit Report with Unmodified Opinion on Audited Financial Results for the Quarter and Year Ended 31<sup>st</sup> March, 2022.

This Declaration is issued in compliance of 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**  
DIRECTOR  
DIN No.07993925





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**KERNEX MICROSYSTEMS (INDIA) LIMITED**

**Audited STANDALONE Statement of financial results for the quarter and year ended 31st Mar, 2022**

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

Particulars	Quarter ended			Year ended	Year ended
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
<b>Income</b>					
Revenue from operations	7,643,305	3,383,882	115,256,407	53,588,798	155,755,071
Other Income	3,409,026	10,146,888	11,175,384	18,026,286	18,340,110
<b>Total income</b>	<b>11,052,331</b>	<b>13,530,770</b>	<b>126,431,791</b>	<b>71,615,084</b>	<b>174,095,182</b>
<b>Expenses</b>					
Cost of materials consumed	6,059,727	2,078,707	66,859,658	25,766,108	93,667,842
Changes in inventories of finished goods, work in progress and stock in trade	1,314,366	(578,201)	2,214,863	8,484,389	(53,254,663)
Employee benefit expense	14,989,322	14,494,319	13,577,162	57,786,052	48,889,642
Finance cost	5,420,257	4,883,918	1,109,109	24,000,479	9,144,097
Depreciation and amortization expense	2,802,974	4,480,713	3,895,853	14,359,133	15,545,723
Other expenses	18,702,876	8,885,366	24,515,957	59,202,175	55,857,149
<b>Total expenses</b>	<b>49,289,522</b>	<b>34,244,821</b>	<b>112,172,601</b>	<b>189,598,336</b>	<b>169,849,789</b>
<b>Profit/(loss) before extraordinary, exceptional items and tax</b>	<b>(38,237,191)</b>	<b>(20,714,052)</b>	<b>14,259,189</b>	<b>(117,983,252)</b>	<b>4,245,393</b>
<b>Extraordinary items</b>					
<b>Exceptional items</b>	<b>(44,258,000)</b>			<b>(44,258,000)</b>	
<b>Profit/(loss) before tax</b>	<b>(82,495,191)</b>	<b>(20,714,052)</b>	<b>14,259,189</b>	<b>(162,241,252)</b>	<b>4,245,393</b>
<b>Tax expense</b>					
(i) Current tax		-	-		-
(ii) Previous years tax		-	-		-
(iii) Deferred tax	975,832	1,108,949	1,003,146	3,511,132	527,387
<b>Net profit/(loss) for the year</b>	<b>(83,471,023)</b>	<b>(21,823,001)</b>	<b>13,256,043</b>	<b>(165,752,384)</b>	<b>3,718,006</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to Statement of Profit and loss					
(i) Remeasurement gains/(losses) of the defined benefit plans	(1,362,293)		393,895	(1,362,293)	393,895
(ii) Income tax effect on the above					
<b>Total comprehensive Income for the year</b>	<b>(84,833,316)</b>	<b>(21,823,001)</b>	<b>13,649,938</b>	<b>(167,114,677)</b>	<b>4,111,901</b>
<b>Earnings per equity share (EPS)</b>					
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	124,996,550	124,996,550	124,996,550	124,996,550	124,996,550
Basic and Diluted Earnings per share of Rs.10/- each per equity share of Rs.	(6.68)	(1.75)	1.06	(13.26)	0.30



*M. S. Reddy*



**Notes:**

1. The above Audited Standalone Financial Results were reviewed and recommended by the Audit Committee are considered and approved by the Board of Directors at their meeting held on 29<sup>th</sup> May'2022. 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 05<sup>th</sup> 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 loss allowance on its trade receivables, income tax assets and other long pending dues from government authorities as on 31 March 2022 is subject to number of 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. Dues from government authorities are long pending and relating to periods prior to GST regime and will depend on actions of government of authorities and outcome of the assessment proceedings which are yet to be closed.
  - c. Certain trade receivables may be affected due to delay in final deliverables on account of COVID 19 and company decision to pre-close the project.
  - d. The figures of 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.
5. Exceptional item contains written off amount of Rs.4.42 crores on account of receivable against sale of assets.
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 31<sup>st</sup> March'2022 are also available on Bombay Stock Exchange website, National Stock Exchange website and on the Company's Website

Place **Hyderabad**

Date **29<sup>th</sup> May 2022**



By order of the Board of Directors  
For Kernex Microsystems (India) Limited

*M. B. NarayanaRaju*

**M.B.NarayanaRaju**  
**Whole Time Director**  
**DIN – 07993925**



## KERNEX MICROSYSTEMS (INDIA) LIMITED

## Audited STANDALONE Statement of Assets and Liabilities as at 31st Mar, 2022

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

Particulars	As at 31-Mar-22	As at 31-Mar-21
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	254,824,767	315,357,854
Capital work-in-progress		
Intangible assets	95,003	174,851
Financial assets		
Investments	80,377,825	80,377,825
Other financial assets	1,343,046	87,073,020
Income tax Assets	26,018,840	24,484,328
<b>Total non-current assets</b>	<b>362,659,480</b>	<b>507,467,878</b>
<b>Current assets</b>		
Inventories	71,509,934	83,465,956
Financial assets		
Trade receivables	113,782,168	128,113,329
Cash and cash equivalents	62,641,456	41,847,952
Other bank balances	126,581,826	125,545,734
Other financial assets	269,603	3,222,713
Other current assets	86,202,382	78,584,033
<b>Total current assets</b>	<b>460,987,369</b>	<b>460,779,716</b>
<b>TOTAL ASSETS</b>	<b>823,646,849</b>	<b>968,247,594</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	124,996,550	124,996,550
Other equity	460,962,966	575,764,608
<b>Total Equity</b>	<b>585,959,516</b>	<b>700,761,158</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Provisions	1,998,458	153,923
Deferred tax liabilities	7,580,043	4,068,911
Other Non-current liabilities	-	29,927,656
<b>Total Non-current liabilities</b>	<b>9,578,501</b>	<b>34,150,490</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	119,476,858	138,135,572
Trade Payables		
Dues of small enterprises and micro enterprises	2,722,386	6,134,604
Dues of creditors other than small enterprises and micro enterprises	28,931,072	27,868,920
Other financial liabilities	245,541	245,541
Other current liabilities	76,732,974	60,951,309
<b>Total current liabilities</b>	<b>228,108,832</b>	<b>233,335,946</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>823,646,849</b>	<b>968,247,594</b>



H. N. Srinivasulu Reddy



KERNEX MICROSYSTEMS (INDIA) LIMITED		
Audited Standalone Statement of Cash Flows for the year ended 31st Mar, 2022 (All amounts in Indian Rupees, except share data and where otherwise stated)		
Particulars	31-Mar-22	31-Mar-21
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	(162,241,252)	4,245,393
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>		
Depreciation and amortisation	14,359,133	15,545,723
Other comprehensive income		
Foreign currency translation gain / (loss)	(2,510,736)	1,039,866
Written off / provision for obsolete stock		
Sundry balances written off	-	294,731
Provision for doubtful advances	-	937,351
Provision for expected credit loss	-	-
Provision for slow/non moving stocks	-	-
Liabilities no longer required written off	-	(3,204,772)
(Profit) on disposal of property, plant and equipment	(7,539,385)	(1,551,620)
Receivable on sale of fixed asset written off	44,258,000	
Expenses for sale of land		
Finance costs	24,000,479	9,144,097
Interest income	(9,124,830)	(13,324,475)
Other non operating income	-	-
<b>Changes in assets and liabilities</b>		
Trade receivables	14,331,161	586,886
Inventories	11,956,022	(70,644,133)
Other assets	33,533,701	(55,251,059)
Trade payables	(2,350,065)	28,434,753
Other liabilities	(12,301,456)	92,874,125
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>9,126,866</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	55,368,750	3,463,568
Purchase of property, plant and equipment	(1,575,563)	(6,953,608)
Investment in 100% WOS	-	-
Investment in JV	-	29,343,398
Expenses for sale of land		
Other non operating income		
Interest income	9,124,830	13,324,475
<b>Net cash flow used in investing activities</b>	<b>B</b>	<b>39,177,833</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital		
Proceeds from Share application money	55,200,000	
Repayment of long term borrowings	(18,658,714)	-
Finance costs	(24,000,479)	(9,144,097)
<b>Net cash flow (used in)/from financing activities</b>	<b>C</b>	<b>(9,144,097)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>A+B+C</b>	<b>39,160,602</b>
Cash and bank balances at the beginning of the year	167,393,686	128,233,085
<b>Cash and cash equivalents at the end of the year</b>	<b>189,223,282</b>	<b>167,393,686</b>



*H. S. D. R. A.*



**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) LTD**

**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) LTD** ("the Company) for the quarter and year ended 31<sup>st</sup> March 2022 ("The Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("the Regulation") as amended, read with SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").

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 modified by Circular No. CIR/CFD/FAC/62/2016 dated July, 5, 2016; 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 31<sup>st</sup> March 2022.

**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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

We draw attention to Note 4 to the Statement, which describes that the Company has assessed the recoverability and impairment of financial assets i.e trade receivables, income tax assets and dues from government authorities and such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events and final recoverable amount may vary for the reasons mentioned there in.

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

### **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 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) 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.

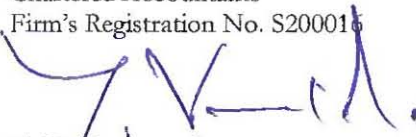
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 31<sup>st</sup> March 2022 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



**Y. Venkateswarlu**  
Partner  
Membership No. 222068

**UDIN: 22222068AJVJFD2934**

Place: Hyderabad  
Date: 29 May 2022



KERNEX MICROSYSTEMS (INDIA) LIMITED					
Audited CONSOLIDATED Statement of financial results for the quarter and year ended 31st Mar, 2022					
Particulars	Quarter ended			Year ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations	8,446,166	10,662,669	139,684,785	66,514,846	183,234,444
Other Income	3,431,933	10,170,047	5,513,305	17,307,892	12,586,271
<b>Total Income</b>	<b>11,878,099</b>	<b>20,832,716</b>	<b>145,198,090</b>	<b>83,822,738</b>	<b>195,820,715</b>
<b>Expenses</b>					
Cost of materials consumed	6,059,727	4,038,769	71,457,008	27,852,007	94,371,757
Purchases of stock in trade	-	-	-	-	-
Changes in inventories of finished goods, work in progress and stock in trade	1,314,366	-578,201	2,214,863	8,484,389	(53,254,663)
Employee benefit expense	16,189,322	15,694,319	14,777,162	62,586,052	51,289,642
Finance cost	9,324,978	7,329,061	696,436	32,946,514	14,564,114
Depreciation and amortization expense	2,805,134	4,482,849	3,897,968	14,367,644	15,560,726
Other expenses	18,893,284	9,228,654	20,729,567	61,922,569	52,557,153
<b>Total expenses</b>	<b>54,586,811</b>	<b>40,195,451</b>	<b>113,773,004</b>	<b>208,169,175</b>	<b>175,088,728</b>
<b>Profit/(loss) before extraordinary, exceptional items and tax</b>	<b>(42,708,713)</b>	<b>-19,362,736</b>	<b>31,425,085</b>	<b>(124,346,437)</b>	<b>20,731,987</b>
<b>Extraordinary Items</b>					
<b>Exceptional Items</b>	<b>(44,258,000)</b>			<b>(44,258,000)</b>	
<b>Profit/(loss) before tax</b>	<b>(86,966,713)</b>	<b>-19,362,736</b>	<b>31,425,085</b>	<b>(168,604,437)</b>	<b>20,731,987</b>
Tax expense					
(i) Current tax					
(ii) Previous years tax					
(ii) Deferred tax	975,832	1,108,949	1,003,146	3,511,132	527,387
<b>Net profit/(loss) for the period/year</b>	<b>(87,942,545)</b>	<b>-20,471,685</b>	<b>30,421,939</b>	<b>(172,115,569)</b>	<b>20,204,600</b>
Attributable to					
Shareholders of the Company	(88,026,502)				
Non controlling interest	(83,957)				
	(87,942,545)				
<b>Other comprehensive income</b>					
A (i) Items that will not be reclassified to Statement of Profit and loss	(1,362,293)	-	393,895.00	(1,362,293)	393,895
(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	1,800,461	2,360,857	8,810,433	8,843,365	26,878,185
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss					
<b>Total comprehensive Income</b>	<b>(87,504,377)</b>	<b>-18,110,828</b>	<b>39,626,268</b>	<b>(164,634,498)</b>	<b>47,476,680</b>
Attributable to					
Shareholders of the Company	(87,420,420)	(17,913,803)	39,335,441	(164,504,168)	47,446,256
Non controlling interest	(83,957)	(197,025)	290,827	(130,329)	30,424
<b>Earnings per equity share (EPS)</b>					
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	124,996,550	124,996,550	124,996,550	124,996,550	124,996,550
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	(7.04)	(1.64)	2.43	(13.77)	1.62





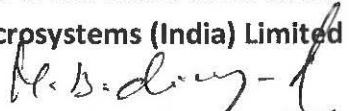
**Notes:**

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 29<sup>th</sup> May'2022. 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 05<sup>th</sup> 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 loss allowance on its trade receivables, income tax assets and other long pending dues from government authorities as on 31 March 2022 is subject to number of 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. Dues from government authorities are long pending and relating to periods prior to GST regime and will depend on actions of government of authorities and outcome of the assessment proceedings which are yet to be closed.
  - c. Certain trade receivables may be affected due to delay in final deliverables on account of COVID 19 and company decision to pre-close the project.
  - d. The figures of 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.
5. Exceptional item contains written off amount of Rs.4.42 crores on account of receivable against sale of assets.
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 31<sup>st</sup> March'2022 are also available on Bombay Stock Exchange website, National Stock Exchange website and on the Company's Website.

Place **Hyderabad**

Date **29<sup>th</sup> May 2022**

By order of the Board of Directors  
For Kernex Microsystems (India) Limited

  
**M.B.NarayanaRaju**

**Whole Time Director**

**DIN - 07993925**





KERNEX MICROSYSTEMS (INDIA) LIMITED		
Audited CONSOLIDATED Statement of Assets and Liabilities as at 31st Mar, 2022		
Particulars	As at 31-Mar-22 Audited	As at 31-Mar-21 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	254,824,767	315,357,854
Intangible assets	95,003	174,851
Financial assets		
Investments	-	-
Other financial assets	1,343,046	87,073,020
Income tax Assets	26,098,570	24,608,044
<b>Total non-current assets</b>	<b>282,361,385</b>	<b>427,213,769</b>
<b>Current assets</b>		
Inventories	71,509,934	83,465,956
Financial assets		
Trade receivables	108,505,595	119,807,328
Cash and cash equivalents	65,733,472	48,450,957
Other bank balances	128,398,446	128,573,734
Other financial assets	20,454,203	23,407,313
Other current assets	98,342,533	92,056,069
<b>Total current assets</b>	<b>492,944,183</b>	<b>495,761,357</b>
<b>TOTAL ASSETS</b>	<b>775,305,568</b>	<b>922,975,126</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	124,996,550	124,996,550
Other equity	357,329,544	501,527,234
<b>Equity attributable to Shareholders of the Company</b>	<b>482,326,094</b>	<b>626,523,784</b>
Non-controlling interests	904,739	1,035,068
<b>Total Equity</b>	<b>483,230,833</b>	<b>627,558,853</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	-	-
Provisions	-	-
Deferred tax liabilities	7,580,043	4,068,911
Other Non-current liabilities	-	29,927,656
Provisions	1,998,458	153,923
<b>Total Non-current liabilities</b>	<b>9,578,501</b>	<b>34,150,490</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	180,535,508	202,463,000
Trade Payables		
Dues of small enterprises and micro enterprises	2,722,386	6,134,604
Dues of creditors other than small enterprises and micro enterprises	14,936,311	5,224,549
Other financial liabilities	245,541	245,541
Other current liabilities	84,056,488	47,198,090
Provisions		
<b>Total current liabilities</b>	<b>282,496,234</b>	<b>261,265,783</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>775,305,569</b>	<b>922,975,126</b>



*M. S. Singh*



KERNEX MICROSYSTEMS (INDIA) LIMITED		
CONSOLIDATED Statement of Cash Flows for the year ended 31st Mar, 2022		
Particulars	31-Mar-22	31-Mar-21
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	(168,604,437)	20,204,600
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>		
Depreciation and amortisation	14,367,644	15,545,723
Foreign Currency translation reserve	(2,510,736)	1,039,866
Written off / Provision for obsolete stock	-	-
Sundry balances written off	-	294,731
Provision for Doubtful Advances	-	937,351
Provision for expected credit loss	-	-
Provision for slow/non moving stocks	-	-
Liabilities no longer required written off	-	(3,204,772)
(Profit) / Loss on sale of Fixed assets	(7,539,385)	(1,551,620)
Receivable on sale of fixed asset written off	44,258,000	
Finance costs	32,946,514	14,564,114
Interest income	(9,124,830)	(13,324,475)
<b>Changes in assets and liabilities</b>		
Trade receivables	11,301,732	230,483,415
Inventories	11,956,022	12,008,992
Other assets	41,887,513	(54,783,506)
Trade payables	(6,299,545)	5,790,382
Other liabilities	(8,775,277)	(195,250,451)
<b>Net cash flow from operating activities (A)</b>	<b>-46,136,784</b>	<b>32,754,350</b>
<b>Cash flows from investing activities</b>		
Sale of Fixed Assets	55,368,750	3,463,568
Purchase of property, plant and equipment	(1,575,563)	(6,953,608)
Interest received	9,124,830	13,324,475
<b>Net cash flow used in investing activities (B)</b>	<b>62,918,017</b>	<b>9,834,435</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital	-	-
Proceeds from Share application money	55,200,000	
Repayment of long term borrowings	(21,927,491)	-
Other non operating income	-	-
Finance costs	(32,946,514)	(14,564,114)
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>325,994</b>	<b>(14,564,114)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>17,107,227</b>	<b>28,024,671</b>
Cash and Bank Balances at the beginning of the year	177,024,691	149,000,020
<b>Cash and cash equivalents at the end of the year</b>	<b>194,131,918</b>	<b>177,024,691</b>



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**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) LTD**

**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) LTD** ("the Holding Company) its subsidiary entity and associate for the quarter and year ended 31<sup>st</sup> March 2022 ("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, read with SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").

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

- 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, read with SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular"); 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 profit and other comprehensive income and other financial information of the Company for the quarter and year ended 31<sup>st</sup> March, 2022.

**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 4 to the Statement, which describes that the Company has assessed the recoverability and impairment of financial assets i.e trade receivables, income tax assets and dues from government authorities and such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events and final recoverable amount may vary for the reasons mentioned there in.

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 accompanying statement includes the unaudited interim financial results and other financial information of 1 wholly owned subsidiary whose unaudited interim financial results include total assets of 4,15,07,611 and total revenues of Rs. 1.52 and Rs.71,80,253 and for the quarter and year ended March 31, 2022, respectively, total loss and comprehensive loss of 40,51,735 and 57,11,539 for the quarter and year ended March 31, 2022, as considered in the consolidated Audited financial results. These interim financial results and other financial information of wholly owned subsidiary have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the statement, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditors and procedures performed by us as stated above. Our conclusion on the Statement is not modified in respect of the above matter.
2. The accompanying statement includes the unaudited interim financial results and other financial information of 1 Joint Venture whose Audited interim financial results include total assets of 3,67,58,040 and total revenues of Rs.85,27,657 and Rs.5,88,99,839 and for the quarter and year ended March 31, 2022, respectively, total loss and comprehensive loss of 4,19,786 and 6,51,646 for the quarter and year ended March 31, 2022, as considered in the consolidated Audited financial results. These interim financial results and other financial 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 Joint Venture, is based solely on those unaudited financial statement/financial information furnished by the Management.
3. The wholly owned subsidiary is located outside India i.e USA whose financial results and other financial information have been compiled by a CPA in accordance with accounting principles generally accepted in USA. The Holding Company's management has converted the financial results of wholly owned subsidiary located in USA from accounting principles generally accepted in USA to accounting principles generally accepted in India.





4. The Statement includes the results for the Quarter ended 31<sup>st</sup> March 2022 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.

Our report on the statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the management and other auditors.

**For PRSV & Co. LLP**

Chartered Accountants

Firm's Registration No. S200016



**Y. Venkateswarlu**

Partner

Membership No. 222068

**UDIN: 2222068AJVJFY1090**

Place: Hyderabad

Date: 29 May 2022