



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001:2015 Certified Company)

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Registered Office :

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Maheswaram (M), R.R. (Dist.),
Hyderabad - 501 510. Telangana. India.

KMIL: SE:20:21:026

30th July, 20

To The Manager Listing Compliances, BSE Limited PhirozeJeejeebhoy Towers Dalal Street Mumbai – 400 001 BSE Scrip Code: 532686	To The Manager Listing Department National Stock Exchange of India Ltd Plot No.C/1, G Block,Exchange Plaza Bandra – KurlaComplex, Bandra (E) Mumbai – 400 051 NSE Symbol: KERNEX
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Dear Sir/Madam,

Subject: Disclosure as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Impact of COVID-19 pandemic.

Dear Sir / Madam,

1. Pursuant to Regulation 30(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 issued on May 20, 2020, we would like to inform the Stock Exchange and Stakeholders impact of the Pandemic COVID19 on business operation.
2. Covid-19 pandemic is an unprecedented health situation in the world, which has swept almost all the Countries under its effect.
3. Kernex Microsystems (India) Limited is a Holding Company and it has its investment in the subsidiary company.
4. During lockdown period, corporate office Staff worked as per "work from home" policy. The Corporate office of the Company is resumed with minimum staff as per the approvals/clearances from the Government of Telangana. We have already implemented the mandatory protocols and SOPs for all our employees as per the guidelines stipulated by the Ministry of Home Affairs of the Government of India. We have also implemented the necessary protocols of physical distancing and all other safety measures. The policies adopted are revolving around Safety for Self, Safety at Home, Safety for Family, Safety in Transit, Safety for Colleagues, Safety at Workplace and Safety for the Community.

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-2-

5 A Brief note about business status of each of its subsidiary company is given below;

The Operational Activities are recently commenced in small way according to guideline issued by the Government with face mask; face cover, proper sanitization of work place and social distancing. The Company and its subsidiary have taken proper steps to ensure smooth functioning of operations. Though there may be some impediments in scaling up of in terms of availability of workmen due to migration of workmen in past few weeks.

6. Impact of disruption of business due to COVID - 19 pandemic:

The Company remains adequately comfortable on liquidity. The Company's internal financial reporting and control is in no manner impacted by the pandemic. The Company remains confident of weathering the current challenges on the strength of its strong legacy and fundamentals. The Company shall closely monitor the prevalent situation and take all necessary steps as may be required from time to time. It shall furnish further updates in case of any material developments or changes.

7. Details of impact of CoVID-19 on listed entities:

- i. Capital and financial resources: We have adequate capital to meet business requirements.
- ii. Profitability: Profitability for the Quarter 1 (April, 2020 to June, 2020) FY21 expected to be affected due to lockdown and partial manufacturing capacity utilization. However it is expected to improve from Quarter 2 (July, 2020 to Sept, 2020) FY21 onwards.
- iii. Liquidity position: We have conserved resources to maintain liquidity position in the company.
- iv. Ability to service debt and other financing arrangements: Company is capable to service all debts as and when due. The Company is paying its lenders as per due date.
- v. Assets: Company will assess further CAPEX requirements once situation improves and will arrange necessary funding.
- vi. Internal Financial Reporting and Control: No major impact, the control are in place, as till 20th March 2020, The business processes were carried out normally and during the lock down period; businesses were transacted as Internal Finance Control system in place. The company is assessing the future impact of CoVID-19 on other aspects, operations, profitability, liquidity position, demand for its products/service and it will update on these issues by the time of publishing the quarterly and/or annual financial results.

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-3-


- vii. Supply Chain: We have not observed any major supply chain issues and it is expected to normalize post lockdown.
 - viii. Demand for its products/ services: Demand in export market is adequate however domestic demand expected to improve post lockdown.
8. **Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business:**

We have no such contract which has significant impact on the company.

Please take the same on record and acknowledge.

Thanking you,
Yours Faithfully,

For Kernex Microsystems (India) Limited


M B NarayanaRaju
Whole-Time Director
DIN: 07993925

