



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001:2015 Certified Company)

CIN: L30007TG1991PLC013211

Tel: +91 90300 17501
+91 90300 17502
e-mail: kernex@kernex.in
website: www.kernex.in



Registered Office :

'TECHNOPOLIS', Plot No. 38(Part) to 41,
Hardware Technology Park,
TSIC Layout, Imarath Kanch, Raviryal (V),
Maheswaram (M), R.R. (Dist.),
Hyderabad - 501 510. Telangana. India.

KMIL/SE/Q3/19-20/179

08th February'20.

To The Listing / Compliance Department The 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 Un-Audited Financial Results of the Company as per the provisions of SEBI (LODR) Regulations, 2015.

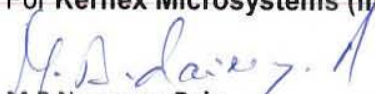
Please find enclosed herewith the following documents in terms of Regulation 33 of SEBI (LODR) Regulations, 2015:

- Approved the Un-Audited Standalone and Consolidated Financial Results of the Company for the third quarter and nine months ended 31st December, 2019,
- Taken note of the Auditor's Report on Quarterly Standalone and Consolidated Financial Statements of the Company for the period ended 31st December, 2019 as required under Regulation 33 of SEBI (LODR) Regulations, 2015.


The meeting of the Board of Directors commenced at 12.00 P. M. and ended on 3:00 P. M.

Kindly take the above information on record and acknowledge.

Yours faithfully
For Kernex Microsystems (India) Limited


M B Narayana Raju
Whole-Time Director
DIN: 07993925




Prasada Rao Kalluri
Company Secretary



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001:2015 Certified Company)

CIN: L30007TG1991PLC013211

Tel: +91 90300 17501
+91 90300 17502
e-mail: kernex@kernex.in
website: www.kernex.in



Registered Office :
'TECHNOPOLIS', Plot No. 38(Part) to 41,
Hardware Technology Park,
TSIIC Layout, Imarath Kanch, Raviryal (V),
Maheswaram (M), R.R. (Dist.),
Hyderabad - 501 510. Telangana. India.

KERNEX MICROSYSTEMS (INDIA) LIMITED

Unaudited STANDALONE Statement of financial results for the quarter and 9 months ended 31st Dec, 2019

Particulars	Quarter ended			9 Months ended		Year ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	1,15,37,358	3,36,66,928	83,09,968	13,97,44,437	4,32,54,926	7,47,37,993
Other Income	40,55,425	82,25,664	12,97,206	1,36,50,452	93,75,097	1,29,54,375
Total income	1,55,92,782	4,18,92,592	96,07,174	15,33,94,889	5,26,30,023	8,76,92,367
Expenses						
Cost of materials consumed	12,55,595	1,90,12,274	77,94,375	8,01,03,276	2,18,75,419	5,23,67,740
Purchases of stock in trade	-	-	12,25,000	-	12,25,000	12,25,000
Changes in inventories of finished goods, work in progress and stock in trade	23,54,712	61,41,772	(75,74,029)	1,37,66,104	(44,35,814)	(90,25,913)
Employee benefit expense	1,14,72,508	1,05,89,266	1,04,35,199	3,23,01,674	3,41,77,330	4,50,02,811
Finance cost	23,39,948	39,99,154	64,72,032	1,13,11,539	1,90,28,774	2,28,78,222
Depreciation and amortization expense	44,45,770	43,11,437	50,65,430	1,31,91,327	1,51,19,264	2,10,32,846
Other expenses	1,15,24,572	1,21,56,792	6,12,51,464	4,44,37,829	9,25,49,629	9,54,72,518
Total expenses	3,33,93,104	5,62,10,695	8,46,69,471	19,51,11,749	17,95,39,602	22,99,53,225
Profit/(loss) before extraordinary, exceptional items and tax	(1,78,00,322)	(1,43,18,103)	(7,50,62,296)	(4,17,16,860)	(12,69,09,579)	(14,22,60,857)
Extraordinary items	-	-	-	-	-	-
Exceptional items	15,41,41,629	-	68,09,496	15,48,80,937	(1,85,83,392)	(6,69,24,776)
Profit/(loss) before tax	13,63,41,307	(1,43,18,103)	(6,82,52,800)	11,31,64,077	(14,54,92,971)	(20,91,85,634)
Tax expense						
(i) Current tax	-	-	-	-	-	-
(ii) Previous years tax	-	-	29,19,699	-	29,19,699	29,19,699
(ii) Deferred tax	(11,55,900)	(11,54,836)	(7,73,868)	(34,81,548)	(22,11,680)	(53,78,641)
Net profit/(loss) for the period/year	13,74,97,207	(1,31,63,267)	(7,03,98,631)	11,66,45,625	(14,62,00,990)	(20,67,26,691)
Other comprehensive income						
A (i) Items that will not be reclassified to Statement of Profit and loss	-	-	-	-	-	(1,52,330)
(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	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss	-	-	-	-	-	-
Total comprehensive Income	13,74,97,207	(1,31,63,267)	(7,03,98,631)	11,66,45,625	(14,62,00,990)	(20,68,79,021)
Earnings per equity share (EPS)						
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	12,49,96,550	12,49,96,550	12,49,96,550	12,49,96,550	12,49,96,550	12,49,96,550
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	11.00	(1.05)	(5.63)	9.33	(11.70)	(16.54)



[Handwritten signature]



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001:2015 Certified Company)

CIN: L30007TG1991PLC013211

Tel: +91 90300 17501
+91 90300 17502
e-mail: kernex@kernex.in
website: www.kernex.in



Registered Office :

'TECHNOPOLIS', Plot No. 38(Part) to 41,
Hardware Technology Park,
TSIC Layout, Imarath Kanch, Raviryal (V),
Maheswaram (M), R.R. (Dist.),
Hyderabad - 501 510. Telangana. India.

Notes:-

1. The above un-audited Standalone Financial Results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors in their meeting held on 08th February' 2020. The Statutory Auditor of the Company has carried out a Limited Review on the above results in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.
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 un-audited financial results have been prepared in accordance with the Indian Accounting Standards ("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. Figures for the previous periods have been regrouped/rearranged, wherever considered necessary.

Place **Hyderabad**

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

Date **08th February 2020**



M. B. Narayana Raju
M.B.NarayanaRaju

Whole Time Director
DIN - 07993925





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

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

1. We have reviewed the accompanying Statement of unaudited standalone financial results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** for the quarter ended December 31, 2019 (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').
2. This Statement, which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, read with the circular is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standards on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free from material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatements.
5. We draw your attention that the statement which indicates the preparation of financial results of the Company on going concern basis for reasons stated therein. The appropriateness of assumption of going concern is dependent upon revival of market and consequently the Company's ability to generate sustainable cash flows in future to meet its obligations.

Our report is not modified in respect of this matter.

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

Y.Venkateswarlu
Partner
Membership No: 222068



Place: Hyderabad
Date: February 08, 2020

UDIN: 20222068AAA
01371



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001:2015 Certified Company)

CIN: L30007TG1991PLC013211

Tel: +91 90300 17501
+91 90300 17502
e-mail: kernex@kernex.in
website: www.kernex.in



Registered Office :
'TECHNOPOLIS', Plot No. 38(Part) to 41,
Hardware Technology Park,
TSIIC Layout, Imarath Kanch, Raviryal (V),
Maheswaram (M), R.R. (Dist.),
Hyderabad - 501 510. Telangana. India.

KERNEX MICROSYSTEMS (INDIA) LIMITED

Unaudited CONSOLIDATED Statement of financial results for the quarter and 9 months ended 31st Dec, 2019

Particulars	Quarter ended			9 Months ended		Year ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	1,15,37,358	3,36,66,928	83,09,968	14,23,52,849	4,58,82,466	8,13,61,446
Other Income	40,56,152	82,25,667	12,97,223	1,36,51,184	93,75,127	1,29,54,423
Total income	1,55,93,509	4,18,92,594	96,07,191	15,60,04,033	5,52,57,593	9,43,15,870
Expenses						
Cost of materials consumed	12,55,595	1,98,18,374	78,50,941	8,25,71,804	2,21,52,875	5,49,49,168
Purchases of stock in trade	-	-	12,25,000	-	12,25,000	12,25,000
Changes in inventories of finished goods, work in progress and stock in trade	23,54,712	61,41,772	(75,74,029)	1,37,66,104	(44,35,814)	(90,25,913)
Employee benefit expense	1,14,72,508	1,05,89,266	1,08,84,939	3,27,50,947	3,50,81,935	4,91,69,232
Finance cost	23,39,948	39,99,154	64,85,679	1,13,11,539	1,90,42,421	2,29,03,429
Depreciation and amortization expense	44,47,802	43,13,443	50,65,430	1,31,97,348	1,51,21,263	2,10,32,846
Other expenses	1,19,24,382	1,22,07,200	6,13,36,546	4,50,39,914	9,26,47,013	33,85,37,561
Total expenses	3,37,94,947	5,70,69,209	8,52,74,506	19,86,37,656	18,08,34,693	47,87,91,322
Share of Profit/(loss) of Joint venture	-	(49,934)	-	(49,934)	-	-
Profit/(loss) before extraordinary, exceptional items and tax	(1,82,01,437)	(1,52,26,549)	(7,56,67,315)	(4,26,83,557)	(12,55,77,101)	(38,44,75,453)
Extraordinary items	-	-	-	-	-	-
Exceptional items	15,41,41,629	-	68,09,496	15,48,80,937	(1,85,83,392)	16,93,26,699
Profit/(loss) before tax	13,59,40,192	(1,52,26,549)	(6,88,57,819)	11,21,97,380	(14,41,60,493)	(21,51,48,754)
Tax expense						
(i) Current tax	-	-	-	-	-	-
(ii) Previous years tax	-	-	29,19,699	-	29,19,699	29,19,699
(ii) Deferred tax	(11,55,900)	(11,54,836)	(7,73,868)	(34,81,548)	(22,11,680)	(53,78,641)
Net profit/(loss) for the period/year	13,70,96,092	(1,40,71,713)	(7,10,03,649)	11,56,78,928	(14,48,68,511)	(21,26,89,811)
Other comprehensive income						
A (i) Items that will not be reclassified to Statement of Profit and loss	-	-	-	-	-	(1,52,330)
(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	-	-	-	-	-	-
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss	-	-	-	-	-	-
Total comprehensive Income	13,70,96,092	(1,40,71,713)	(7,10,03,649)	11,56,78,928	(14,48,68,511)	(21,28,42,141)
Earnings per equity share (EPS)						
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	12,49,96,550	12,49,96,550	12,49,96,550	12,49,96,550	12,49,96,550	12,49,96,550
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	10.97	(1.13)	(5.68)	9.25	(11.59)	(17.02)



M. D. Dary - 1



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001:2015 Certified Company)

CIN: L30007TG1991PLC013211

Tel: +91 90300 17501
+91 90300 17502
e-mail: kernex@kernex.in
website: www.kernex.in



Registered Office :

'TECHNOPOLIS', Plot No. 38(Part) to 41,
Hardware Technology Park,
TSIC Layout, Imarath Kanch, Raviryal (V),
Maheswaram (M), R.R. (Dist.),
Hyderabad - 501 510. Telangana. India.

Notes:-

1. The above un-audited Consolidated Financial Results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors in their meeting held on 08th February' 2020. The Statutory Auditor of the Company has carried out a Limited Review on the above results in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.
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 un-audited financial results have been prepared in accordance with the Indian Accounting Standards ("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. Figures for the previous periods have been regrouped/rearranged, wherever considered necessary.

Place **Hyderabad**

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

Date **08th February 2020**



M. B. Narayana Raju
M.B.NarayanaRaju

Whole Time Director

DIN - 07993925





LDIN: 20222068AAAAAP9479

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

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

1. We have reviewed the accompanying Statement of Consolidated unaudited financial results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** ("the Parent") and its subsidiaries (the Parent and its together referred to as "the Group") for the quarter ended December 31, 2019 and its share of the net profit after tax and total comprehensive loss of its joint ventures for the quarter (the "statement"), being submitted by the Parent 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').
2. This Statement, which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, read with the circular is the responsibility of the Parent's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standards on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the entities as mentioned in Annexure 1.



5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatements.
6. Since subsidiary is following Cash basis of accounting, no provision is made towards interest of Rs 18.13 lakhs on unsecured loan for the quarter ended December 31, 2019. The loss of the subsidiary is short reported by Rs 18.13 lakhs for the quarter ended December 31, 2019.
7. We did not review the interim financial results and other financial information of 1 wholly owned subsidiary, included in the consolidated unaudited financial results, whose interim financial results and other financial information reflects total revenues of Rs.727.13, and total net profit after tax of Rs. 4, 01,115/-, and total comprehensive income of Rs. Nil, for the quarter ended December 31, 2019 as considered in the consolidated unaudited 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 in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matter.
8. The consolidated unaudited financial results also includes the Group's share of net profit/(loss) after tax of Rs. Nil and total comprehensive income/(loss) of Rs. Nil, for the quarter ended December 31, 2019, as considered in the consolidated unaudited financial results, in respect of 1 Joint venture, based on their interim financial results and financial information which have not been reviewed by their auditors. These financials have been approved by the management and furnished to us. According to the information and explanation given to us by the Management, these interim financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.



9. We draw your attention that the statement which indicates the preparation of financial results of the Company on going concern basis for reasons stated therein. The appropriateness of assumption of going concern is dependent upon revival of market and consequently the Company's ability to generate sustainable cash flows in future to meet its obligations. Our conclusion on the Statement is not modified in respect of the above matter.

For PRSV & Co.LLP

Chartered Accountants

Firm Registration No: S200016



Y. Venkateswarlu

Partner

Membership No: 222068

Place: Hyderabad

Date: February 08, 2020