



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/Q1/23-24/038

13th August 2023

To The Listing / Compliance Department BSE 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-KurlaComplex, Bandra (E) Mumbai-400 051 NSE Symbol: KERNEX
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Sir / Madam,

Sub: Submission of Un-Audited Financial Results of the Company for the quarter ended 30th June 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. Un-Audited Standalone and Consolidated Financial Results of the Company for the first quarter ended 30th June, 2023.
2. Limited Review Report on Un-Audited Standalone and Consolidated Financial results of the Company for the first quarter ended on 30th June 2023 as required under Regulation 33 of SEBI (LODR) Regulations, 2015

The aforesaid Board Meeting commenced at 09:00 A.M. and concluded at 11:55 A.M.

Kindly take the above information on record and acknowledge.

Thanking you,
Yours faithfully,

For KERNEX MICROSYSTEMS (INDIA) LIMITED

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





KERNEX MICROSYSTEMS (INDIA) LIMITED				
Unaudited STANDALONE Statement of financial results for the quarter ended 30th June, 2023				
(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)				
Particulars	Quarter ended			Year ended
	30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
	Unaudited	Audited	Unaudited	Audited
Income				
Revenue from operations	96.27	43.30	90.81	200.36
Other Income	64.29	28.13	22.02	130.62
Total income	160.56	71.43	112.83	330.99
Expenses				
Cost of materials consumed	638.21	12.70	77.77	254.16
Changes in inventories of finished goods, work in progress and stock in trade	-986.79	-129.05	-	-132.88
Employee benefit expense	233.08	238.68	134.05	749.72
Finance cost	20.05	29.64	44.70	197.94
Depreciation and amortization expense	62.31	135.61	31.97	238.62
Other expenses	272.52	508.39	122.67	961.50
Total expenses	239.37	795.99	411.15	2,269.06
Profit/(loss) before extraordinary, exceptional	-78.81	-724.56	-298.32	-1,938.07
Exceptional items	-	-	-	-
Profit/(loss) before tax	-78.81	-724.56	-298.32	-1,938.07
Tax expense				
(i) Current tax				
(ii) Previous years tax				
(iii) Deferred tax	7.56	17.50	3.22	47.65
Net profit/(loss) for the year	-86.37	-742.06	-301.54	-1,985.72
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	-	-0.88
(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	-86.37	-742.94	-301.54	-1,986.60
Earnings per equity share (EPS)				
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	1,545.94	1,545.94	1,379.97	1,545.94
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	-0.06	-4.91	-2.19	-14.67

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Notes:

1. The above un-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 13th August'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 30th June' 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.
5. 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 30th June'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 **13th August 2023**

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



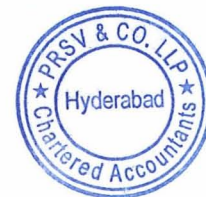
M B Narayana Raju
M B Narayana Raju
Whole Time Director
DIN -07993925



Independent Auditor's Review Report on the Quarterly Unaudited Standalone 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 June 30, 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, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion 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 stated 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contain any material misstatement.



Emphasis of Matter

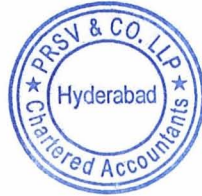
We draw attention to Note No 4 to the Statement, which describes that the Company has assessed the recoverability and impairment of certain financial assets, namely Trade Receivables including Rs. 414.57 Lakhs from related party, income tax assets and margin money/security deposits secured for customer 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 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: 13-08-2023

UDIN: 23222068BGTVWW8343



KERNEX MICROSYSTEMS (INDIA) LIMITED

Unaudited CONSOLIDATED Statement of financial results for the quarter ended 30th June 2023

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

Particulars	Quarter ended			Year ended
	30-Jun-23	31-Mar-23	30-Jun-22	31-Mar-23
	Unaudited	Audited	Unaudited	Audited
Revenue from operations	96.27	51.75	99.38	403.96
Other Income	46.64	-150.86	11.08	78.23
Total income	142.91	-99.11	110.45	482.18
Expenses				
Cost of materials consumed	604.30	18.71	77.77	415.07
Purchases of stock in trade	-	-	-	-
Changes in inventories of finished goods, work in progress and stock in trade	-986.79	-129.05	-	-132.88
Employee benefit expense	245.08	250.68	146.05	797.72
Finance cost	21.05	-125.88	60.08	82.14
Depreciation and amortization expense	62.33	135.63	31.99	238.71
Other expenses	283.31	571.20	125.48	1,035.82
Total expenses	229.28	721.30	441.37	2,436.57
Share of Profit/(loss) of Joint venture				
Profit/(loss) before extraordinary, exceptional items and tax	-86.37	-820.41	-330.91	-1,954.38
Extraordinary items	-	-	-	-
Exceptional items	-	-	-	-
Profit/(loss) before tax	-86.37	-820.41	-330.91	-1,954.38
Tax expense				
(i) Current tax				
(ii) Previous years tax				
(ii) Deferred tax	7.56	17.50	3.22	47.65
Net profit/(loss) for the period/year	-93.93	-837.90	-334.13	-2,002.03
Attributable to				
Shareholders of the Company	-88.33	-824.42	-335.24	-1,981.52
Non controlling interest	-5.60	-13.48	-0.10	-20.51
Other comprehensive income				
A (i) Items that will not be reclassified to Statement of Profit and loss	-	-0.88	-	-0.88
(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	-14.42	-24.13	15.70	38.96
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss	-	-	-	-
Total comprehensive Income	-108.35	-862.03	-318.43	-1,963.07
Attributable to				
Shareholders of the Company	-102.75	-849.43	-317.33	-1,943.44
Non controlling interest	-5.60	-13.48	-1.10	-20.51
Earnings per equity share (EPS)				
Paid up Equity Share Capital (Face value of Rs.10/each per equity share)	1,545.94	1,545.94	1,379.97	1,545.94
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	-0.66	-4.91	-2.42	-14.67

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Notes:

1. The above un-audited Consolidated 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 13th August'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 30th June' 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.
5. 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 30th June'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 **13th August 2023**

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




M B Narayana Raju
Whole Time Director
DIN -07993925



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

To

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

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** (The Parent") and its subsidiary (The parent and its subsidiary referred to as the "Group") for the quarter ended 30 June 2023 ("the statement"), being submitted by the Parent Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the parent's management and approved by the parent Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion 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 the 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.

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

4. The Statement includes the results of the following entities.

Holding/Parent Company

Kernex Microsystems (India) Ltd

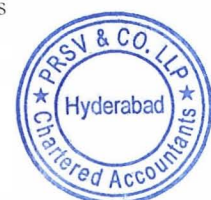
Wholly owned subsidiary

Avant-Garde Infosystems Inc

Controlled entity (Joint Venture)

Kernex TCAS JV

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Accounting Standards prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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



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 is not modified in respect of the above matter.

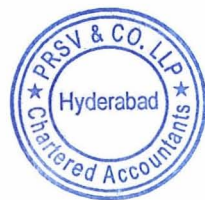
Other Matter

1. We did not review the interim financial information of 1 wholly owned subsidiary included in the unaudited consolidated financial results, whose unaudited interim financial information reflect total revenues of Rs. 163.26 Lakhs, total net loss after tax of Rs. 20.45 Lakhs and total comprehensive income of Rs. 06.03 Lakhs for the quarter ended June 30, 2023, as considered in the statement. This interim financial information has been reviewed by other auditor whose report has 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 other auditors and the procedures performed by us as stated above.
2. The statement also includes interim financial results of 1 Joint Venture (Controlled Entity) whose unaudited interim financial results include total revenues of Rs. Nil and net profit/(loss) after tax of Rs. (22.41) Lakhs and total comprehensive income/(loss) of Rs. (22.41) Lakhs for the quarter ended June 30, 2023, as considered in the consolidated financial statements. 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 that unaudited financial statement/financial information furnished by the Management. According to the information and explanations given to us by the Management, these interim financial statements / financial information / financial results are not material to the Group.

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



Y. Venkateswarlu
Partner
Membership No. 222068



Place: Hyderabad
Date: 13-08-2023

UDIN: 23222068BGTVWX7298