

# KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001 : 2008 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 - 500 005. Telangana. India.

KMIL/OC/Q1/2017-2018

08th September'17.

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>

**Sub:- Outcome of Board Meeting.**

Sir/Madam,

At the meeting held on 08<sup>th</sup> September'2017 the Board approved the un-audited Financial Results of the Company for the Quarter ended 30<sup>th</sup> June'2017.

The meeting of the Board of Directors commenced at 04.00 hrs. IST and ended on 6.30 hrs IST.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours faithfully

For **KERNEX MICROSYSTEMS (INDIA) LIMITED**

  
**K KRISHNAM RAJU**  
**DIRECTOR INCHARGE**





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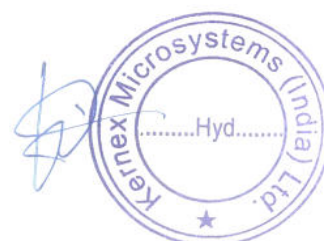


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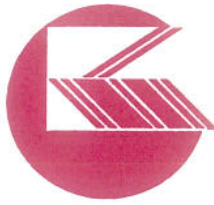
## Statement of Standalone Unaudited Financial Results for the Quarter ended 30th June, 2017

(Rs. in lakhs)

Sl. No.	Particulars	STANDALONE Quarter Ended	
		30/Jun/17 (Unaudited)	30/Jun/16 (Unaudited)
<b>1</b>	<b>Income :</b>		
	a. Net Sales	322.23	164.17
	b. Other operating income	-	-
	<b>Total Income</b>	<b>322.23</b>	<b>164.17</b>
<b>2</b>	<b>Expenditure:</b>		
	a. Cost of materials consumed	13.63	10.76
	b. Purchase of stock-in-trade	-	-
	c. Changes in inventories of finished goods, work in progress and stock in trade	-	49.75
	d. Employees benefits expense	123.88	111.06
	e. Depreciation and amortization expense	55.75	66.87
	f. Other expenses	219.42	141.57
	<b>Total Expenses</b>	<b>412.68</b>	<b>380.01</b>
<b>3</b>	<b>Profit from Operations before Other Income, Finance costs &amp; Exceptional Items (1-2)</b>	<b>(90.46)</b>	<b>(215.83)</b>
<b>4</b>	<b>Other Income</b>	<b>12.37</b>	<b>23.70</b>
<b>5</b>	<b>Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>(78.08)</b>	<b>(192.13)</b>
<b>6</b>	<b>Finance Costs</b>	<b>152.41</b>	<b>120.88</b>
<b>7</b>	<b>Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5+6)</b>	<b>(230.49)</b>	<b>(313.01)</b>
<b>8</b>	<b>Prior Period items</b>	<b>-</b>	<b>-</b>
<b>9</b>	<b>Exceptional Items</b>	<b>-</b>	<b>-</b>
<b>10</b>	<b>Extraordinary Item (net of tax expense Rs.....lakhs)</b>	<b>-</b>	<b>-</b>
<b>11</b>	<b>Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8+9+10)</b>	<b>(230.49)</b>	<b>(313.01)</b>
<b>12</b>	<b>Tax expense</b>	<b>(8.07)</b>	<b>-</b>
<b>13</b>	<b>Net Profit (+)/Loss(-) from Ordinary Activities after tax (11-12)</b>	<b>(222.42)</b>	<b>(313.01)</b>
<b>14</b>	<b>Other Comprehensive income, net of income tax</b>		
	a) i) item that will not be reclassified to profit or loss		
	ii) income tax relating to item that will not be reclassified to profit or loss		
	b) i) item that will be reclassified to profit or loss		
	ii) income tax relating to item that will be reclassified to profit or loss		
	<b>Total other comprehensive income, net of Income tax</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>Net Profit (+)/Loss(-) for the period (13-14)</b>	<b>(222.42)</b>	<b>(313.01)</b>
<b>16</b>	<b>Share of profit/(Loss) of associates</b>		
<b>17</b>	<b>Minority Interest</b>		
<b>18</b>	<b>Net profit/(Loss) after taxes, minority interest and share of profit/(Loss) of Associates (15-16-17)</b>	<b>(222.42)</b>	<b>(313.01)</b>
<b>19</b>	<b>Paid-up equity share capital (Face value of Rs.10/- each)</b>	<b>1,249.97</b>	<b>1,249.97</b>
<b>20</b>	<b>Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>	<b>-</b>	<b>-</b>
<b>21</b>	<b>Earnings Per Share ((of Rs.10 each)(not annualised)</b>	<b>(1.78)</b>	<b>(2.50)</b>
<b>22</b>	<b>Basic :(in Rs.)</b>	<b>(1.78)</b>	<b>(2.50)</b>
<b>23</b>	<b>Diluted:(in Rs.)</b>	<b>(1.78)</b>	<b>(2.50)</b>







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**Notes:**

1. The above Unaudited Financial Results were reviewed by the Audit Committee and taken on record by the Board of Directors in their meeting held on 08/09/2017. The Statutory Auditors have carried out a limited review of the above Financial Results.
2. Number of Investor complaints left unresolved at the beginning of the quarter Nil, received during the quarter- Nil Disposed off during the quarter- Nil and pending - Nil.
3. The Company operates in one reportable segment i.e. Safety systems for Railways and hence segment reporting as per AS-17 is not applicable.
4. This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable. Beginning 1<sup>st</sup> Apr, 2017 the Company has for the first time adopted Ind AS.
5. The Ind AS compliant financial results, of the corresponding period ended 30<sup>th</sup> June, 2016 have not been subject to limited review or Audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
6. The statement does not include Ind AS compliant result for the preceding quarter and previous year ended 31<sup>st</sup> Mar, 2017 the same is not mandatory as per SEBI's circular dated 5<sup>th</sup> Jul, 2016
7. The reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive Income in accordance with IND AS is given below :

Description	Rs in lakhs
	Quarter ended 30th Jun, 16 (Unaudited)
<b>Net Profit / (Loss) as per previous GAAP (Indian GAAP)</b>	<b>(279.95)</b>
<b>IND AS adjustments : Add / (Less)</b>	
Effect of Fair Valuation of Financial assets at Amortised cost	(7.98)
Expected Credit loss on Trade Receivables	(25.08)
<b>Net Profit / (Loss) as per Ind AS</b>	<b>(313.01)</b>

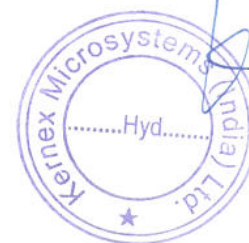
This reconciliation statement has been provided in accordance with circular CIR/CFD/FAC/62/2016 issued by SEBI dated 5<sup>th</sup> Jul, 2016 on account of implementation of Ind -AS by listed companies.

8. Figures for the previous Periods have been regrouped/rearranged, wherever considered necessary.

Place **Hyderabad**

Date **08/09/2017**

By order of the Board of Directors  
For KERNEX MICROSYSTEMS (INDIA) LTD



**K KRISHNAM RAJU**  
Director In-charge  
DIN: 01427121



**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF KERNEX MICROSYSTEMS (INDIA) LIMITED**

1. We have reviewed the accompanying Statement of Un-audited Standalone Financial Results of KERNEX MICROSYSTEMS (INDIA) LIMITED for the quarter ended 30 June 2017 ("the statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared on the basis of 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. Our responsibility is to issue a report on the Statement based on our review.

As stated in Note 5 of the statement, we have not performed a review of the figures relating to the corresponding quarter ended June 30, 2016, including the reconciliation of the net loss for the quarter ended June 30, 2016 between the previous GAAP and the Indian Accounting Standards ("Ind AS").

2. 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.
3. 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 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Andhra Pradesh.  
☎ : 9885464521

Branch :  
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Rajamahendravaram-533102,  
Andhra Pradesh.  
☎ : 70130 97088





4. We draw your attention that the statement which indicates the preparation of financial results of the company on going concern basis for the 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.

Place: Hyderabad  
Date: 08<sup>th</sup> Sep, 2017

For GMK Associates  
Chartered Accountants  
Firm Regn No. 006945S

M S Prakasa Rao  
Partner  
Membership No. 027278

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