



# 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,  
TSIIC Layout, Imarath Kanch, Raviryal (V),  
Maheswaram (M), R.R. (Dist.),  
Hyderabad - 500 005. Telangana. India.

KMIL:OC:Q1:2018-19:92

12<sup>th</sup> August'18.

To The Listing / Compliance Department Bombay Stock Exchange 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 – Kurla Complex, Bandra (E) Mumbai – 400 051 NSE Symbol: KERNEX
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**Sub: Outcome of Board Meeting held on 12.08.2018.**

**Ref: Regulation 33 read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;**

With reference to the subjected cited above, please find enclosed herewith the following documents in terms of Regulation 33 of SEBI (LODR) Regulations, 2015:

1. Un-Audited financial statements of the Company for the First Quarter ended on 30<sup>th</sup> June, 2018.
2. Certified copy of Limited Review Report on the Un-Audited financial statements for the First Quarter ended on 30<sup>th</sup> June, 2018 by the Statutory Auditors.

The meeting of the Board of Directors commenced at 03.00 P. M. and ended on 06:00 P. M.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours faithfully

For KERNEX MICROSYSTEMS (INDIA) LIMITED

  
Badari Narayana Raju Manthena  
Whole Time Director  
DIN: 07993925

  
Prasada Rao Kalluri  
Company Secretary





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Unaudited Financial Results for the quarter and ended 30th Jun 2018

Amount in Rs

Particulars	Quarter ended			Year ended
	30-Jun-18	31-Mar-18	30-Jun-17	31 Mar 18
	Unaudited	Audited	Unaudited	Audited
Revenue from operations	6,398,405	49,294,325	32,222,669	133,055,787
Other Income	2,876,870	3,334,917	1,237,190	7,185,671
<b>Total income</b>	<b>9,275,275</b>	<b>52,629,242</b>	<b>33,459,859</b>	<b>140,241,457</b>
<b>Expenses</b>				
Cost of materials consumed	427,733	322,899	1,362,904	6,596,350
Purchases of stock in trade		8,888,966	-	13,964,371
Changes in inventories of finished goods, work in progress and stock in trade	(1,043,052)	1,264,633	-	1,264,633
Employee benefit expense	11,550,326	12,404,299	12,387,971	48,597,456
Finance cost	5,546,724	5,633,302	6,135,133	21,457,420
Depreciation and amortization expense	4,574,674	5,596,692	5,575,491	22,462,207
Other expenses	19,748,375	88,405,925	31,047,573	175,769,784
<b>Total expenses</b>	<b>41,204,781</b>	<b>122,516,716</b>	<b>56,509,072</b>	<b>290,112,222</b>
<b>Profit/(loss) before extraordinary, exceptional items and tax</b>	<b>(31,929,505)</b>	<b>(69,887,474)</b>	<b>(23,049,213)</b>	<b>(149,870,764)</b>
Extraordinary items	-	-	-	-
Exceptional items	-	-	-	-
<b>Profit/(loss) before tax</b>	<b>(31,929,505)</b>	<b>(69,887,474)</b>	<b>(23,049,213)</b>	<b>(149,870,764)</b>
Tax expense				
(i) Current tax	-	-	-	-
(ii) Deferred tax	(660,374)	(2,860,663)	(807,141)	(5,641,149)
<b>Net profit/(loss) for the period/year</b>	<b>(31,269,131)</b>	<b>(67,026,811)</b>	<b>(22,242,072)</b>	<b>(144,229,615)</b>
<b>Other comprehensive income</b>				
A (i) Items that will not be reclassified to Statement of Profit and loss	-	(729,848)	-	(729,848)
(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				
<b>Total comprehensive Income</b>	<b>(31,269,131)</b>	<b>(67,756,659)</b>	<b>(22,242,072)</b>	<b>(144,959,463)</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
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	(2.50)	(5.36)	(17.78)	(11.54)



M. Do Sai Anjaneyulu







**Notes:**

1. The above Financial Results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors in their meeting held on 12<sup>th</sup> August 18. These results are as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.CIR/CFD/FAC/62/2016 dated 05<sup>th</sup> Jul 16.
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 Ind AS-108 is not applicable.
4. These 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.
5. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has opted to publish quarterly unaudited standalone results and to publish consolidated results at the year end.
6. As approved by the Board, a suitable provision has been made in the books for the obsolete stock.
7. An amount of Rs 15.08 crores receivable from Konkan Railway Corporation Limited (KRCL) is under arbitration. Further the Company has failed in the conciliation proceedings against KRCL for an amount of Rs 5.18 cores and the Company is in the process of filing Arbitration petition. The company has not made any provision in the books of accounts which may dilute the chances of recovery of these receivables. Provision in the books of accounts will be provided at the time of finalization of matters.
8. Post the applicability of Goods and Service Tax (GST) with effect from 01<sup>st</sup> Jul 17, Revenue from Operations is disclosed net of GST. Accordingly, the revenue from operations for the quarter ended 31<sup>st</sup> June 18 are not comparable with those of the previous periods presented in the results.
9. Ind AS, 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after 1 April 2018, replaces existing revenue recognition requirements. The application of Ind AS 115 did not have any material impact on recognition and measurement of revenue and related items in the financial results of the Company.
10. Figures for the previous periods have been regrouped/rearranged, wherever considered necessary.

Place **Hyderabad**

Date **12<sup>th</sup> August 18**

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



**M.B.NARAYANA RAJU**  
**DIRECTOR**  
**DIN - 07993925**





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

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

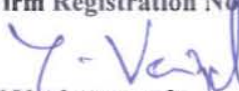
1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** for the quarter ended 30 June 2018 ("the statement"), being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure 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 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. Our responsibility is to issue a report on the Statement based on our review.

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 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 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, including the manner in which it is to be disclosed, or that it contains any material misstatements.
4. 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: S-200016

  
Y. Venkateswarlu  
Partner  
Membership No: 222068



Place: Hyderabad  
Date: 12/08/2018