



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

CIN : L30007TG1991PLC013211
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/Q3/25-26/149

12th February 2026

To
The Listing / Compliance Department
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,

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Sub: Outcome of the Board Meeting

Pursuant to Regulation 30 read with Part A of Schedule III, of the SEBI (LODR) Regulations, 2015, we hereby inform you that the Board of Directors of the Company at its meeting held on 12th February 2026, had, *inter-alia* transacted the following items of the business:

- i) Approved the Un-Audited Standalone and Consolidated Financial Results/Statements for the quarter and nine months ended on 31st December 2025
- ii) Took note of the Limited Review Report on un-audited Standalone and Consolidated Financial results of the Company for the quarter ended on 31st December, 2025 as required under Regulation 33 of SEBI (LODR) Regulations, 2015.

The aforesaid Board Meeting commenced at 09:05 A.M. and concluded at 11:00 A.M.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours faithfully,
For Kernex Microsystems (India) Limited


Prasad Rao K

Company Secretary & Compliance Officer



Kernex Microsystems (India) Limited

CIN:L30007TG1991PLC013211

TECHNOPOLIS, Plot Nos: 38-41,Hardware Technology Park TSIC Layout,
Raviryal Maheshwaram, Ranga Reddy,Hyderabad - 501510. Telangana India.**Unaudited Statement of Consolidated Financial Results for the Quarter and Nine Months ended 31st December, 2025****(₹ in Lakhs)**

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31st December 2025 (Unaudited)	30th September 2025 (Unaudited)	31st December 2024 (Unaudited)	31st December 2025 (Unaudited)	31st December 2024 (Unaudited)	31st March 2025 (Audited)
Income						
I. Revenue from operations	7,259.76	4,711.68	3,680.80	17,564.43	10,670.43	18,977.39
II. Other income	47.66	48.81	32.93	132.61	82.44	144.71
III. Total Income (I+II)	7,307.43	4,760.48	3,713.73	17,697.04	10,752.87	19,122.10
IV. Expenses:						
(a) Cost of raw materials consumed	17,984.64	6,875.60	2,159.38	27,893.30	6,676.13	9,424.86
(b) Changes in inventories of finished goods, work-in- progress and stock in trade	(15,453.87)	(5,043.40)	(672.72)	(20,757.51)	(1,562.61)	433.63
(c) Project execution expenses	1,778.24	492.22	754.47	2,982.10	1,615.67	2,036.85
(d) Employee benefits expense	902.50	738.59	512.66	2,299.65	1,252.93	1,905.31
(e) Finance cost	912.26	468.51	121.90	1,636.16	530.70	691.94
(f) Depreciation and amortization expense	188.40	97.11	61.86	369.27	189.86	282.78
(g) Other expenses	459.63	311.50	130.68	1,087.34	544.11	1,507.29
(h) Amount transferred to capital expenditure	(91.21)	(90.03)	(61.67)	(305.65)	(224.41)	(411.16)
Total Expenses(IV)	6,680.61	3,850.11	3,006.57	15,204.67	9,022.38	15,871.49
V. Profit/(loss) before exceptional items and tax from continuing operations (III- IV)	626.80	910.36	707.16	2,492.37	1,730.49	3,250.61
VI. Exceptional Items	-	-	-	-	-	-
VII. Profit/(loss) before tax from continuing operations (V-VI)	626.80	910.36	707.16	2,492.37	1,730.49	3,250.61
VIII. Tax expense:						
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax	20.93	258.27	(6.35)	493.17	(21.35)	(1,754.28)
Total Tax Expense/(Credit)(net)	20.93	258.27	(6.35)	493.17	(21.35)	(1,754.28)
IX. Profit/(Loss) for the year from continuing operations	605.88	652.09	713.51	1,999.20	1,751.85	5,004.88
X. Profit/(loss) for the period (IX)	605.88	652.09	713.51	1,999.20	1,751.85	5,004.88
Profit for the period attributable to:						
a. Equity holders of the company	604.11	657.43	718.37	2,008.06	1,765.10	5,023.69
b. Non-controlling interests	1.77	(5.34)	(4.86)	(8.84)	(13.25)	(18.81)
XI. Other comprehensive income/(loss)						
A. Items that will not be reclassified to Statement of Profit and loss						
i. Remeasurement gains/(losses) of the defined benefit plans	-	-	-	-	-	(28.10)
ii. Income tax effect on the above	-	-	-	-	-	6.78
B. Items that will be reclassified to Statement of Profit or loss						
i. Income tax relating to items that will be reclassified to Statement of Profit or loss	(0.65)	(2.91)	2.41	(3.56)	2.34	3.57
Total Other comprehensive income/(loss)	(0.65)	(2.91)	2.41	(3.56)	2.34	(17.76)
XII. Total comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period)(X+XI)	605.23	649.17	715.93	1,995.64	1,754.19	4,987.13
Profit for the period attributable to:						
a. Equity Shareholders of the company	603.46	654.52	720.79	2,004.48	1,767.44	5,005.94
b. Non-controlling interests	1.77	(5.34)	(4.86)	(8.84)	(13.25)	(18.81)
XIII. Paid-up equity share capital (Equity Shares of face value ₹10 Each)	1,680.24	1,675.94	1,675.94	1,680.24	1,675.94	1,675.94
XIV. Other equity excluding revaluation reserves	-	-	-	16,366.09	10,773.49	14,115.11
XV. Earnings per equity share (EPS)						
1. Basic EPS - Face Value of ₹ .10/- each -₹	3.61	3.87	4.29	11.98	10.53	29.98
2. Diluted EPS - Face Value of ₹ .10/- each -₹	3.61	3.86	4.29	11.98	10.53	29.95
	<i>Not Annualised</i>					<i>Annualised</i>

Notes to the Unaudited Consolidated Financial Results for the Quarter and Nine Months ended December 31, 2025


1.The results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 (Amended). These have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on February 12th , 2026.

2.The Company is engaged in the manufacture and sale of Safety Systems and Software services for railways. The Company has business operations mainly in India, Egypt and USA. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Plot No.38 (part) to 41, Survey No.1/1, Hardware Park, Raviryal Village, Maheswaram Mandal, Hyderabad - 501 510. The Company has its primary listings on the BSE Limited and National Stock Exchange in India. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.The company operates on one reportable segment,hence segment reporting as per Ind AS 108 is not applicable.

3.Emphasis of Matter – Management's Assessment of Certain Financial Assets

The Statutory Auditors have included an Emphasis of Matter in their audit report regarding the Company's assessment of the recoverability of certain financial assets, as detailed below. The Management, based on internal evaluation and reasonable certainty of recovery, believes these assets are good and fully recoverable. Accordingly, no further provision is considered necessary at this stage:

A. Trade receivables from customers amount to ₹422.73 lakhs (Previous Year: ₹422.10 lakhs), with an Expected Credit Loss (ECL) provision of ₹217.87 lakhs for the current year (Previous Year: ₹211.67 lakhs). These receivables have been outstanding for more than three years.

B. Bank guarantees amounting to ₹265.03 lakhs given to one of the customers are currently under arbitration/conciliation proceedings.

4.The consolidated results of the company is includes the results of wholly owned subsidiary namely Avant- Garde Infosystems Inc, USA and Controlled entity(Subsidiary) Kernex TCAS JV(80% share is owned by Kernex Microsystems(India) limited) and Joint Operation VRRC KERNEX CE RVR JV(35% owned by Kernex Microsystems (India) limited. Kernex has 35% share in VRRC KERNEX CE RVR JV and KERNEX- VRRC JV(80% share is owned by Kernex Microsystems(India) limited)

5.The figures for the corresponding previous periods have been regrouped/ reclassified wherever necessary, to make them comparable.

6.On November 21, 2025, the Government of India has consolidated 29 existing labour legislations into a united framework comprising four Labour codes viz Code on wages 2019, Code on Social Security 2020, Industrial Relation Code 2020 and Occupational Safety, Health and Working Condition Code 2020 (collectively referred to as the New Labour Codes). The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations.

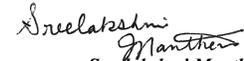
The Company is already in compliance with the basic wages criteria as prescribed under New Labour Codes for own employees and there is no material impact on the company. The Company is in the process of evaluating the possible impacts for contract workforce. However, the management is of the view that impact, if any, is unlikely to be material.

Once the Central/State Rules are notified by the Government on all aspects of the New Labour Codes, the Company will evaluate impact, if any, on the measurement of the employee benefits and would provide appropriate accounting effect on the basis of such development as needed.

7.As at the reporting date, the Company's (Kernex scope of work) aggregate outstanding order book stands at approximately ₹3,268 Crores(Excluding GST), of which ₹2,500 Crores(excluduing GST) relates to LOCO TCAS projects awarded by Chittaranjan Locomotive Works (CLW) and Banaras Locomotive Works (BLW).

8.The above Financial Results for the quarter and Nine months ended December 31st, 2025, are available on the company's website and stock exchanges websites BSE (www.bseindia.com) and NSE (www.nseindia.com),in compliance with SEBI LODR Regulations.

**By and on behalf of Board of Directors
For Kernex Microsystems(India) Limited**


Sreealakshmi Manthena
Managing Director
DIN: 07996443.

Houston
12 Th February 2026

Independent Auditor's Review Report on Quarter ended 31st December 2025 and year to date 1st April 2025 to 31st December 2025 Unaudited Consolidated Financial Results of M/s KERNEX MICROSYSTEMS (INDIA) LIMITED pursuant to Regulation 33 of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015, as amended.

Review Report
To The Board of Directors of
M/s. Kernex Microsystems (India) Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **M/s KERNEX MICROSYSTEMS (INDIA) LIMITED** ("the Parent"), its subsidiary entity and joint venture (The Parent, Subsidiaries and an Associate together referred to as a "Group") for the quarter ended 31st December 2025 and the year to date results for the period from 1st April 2025 to 31st December 2025 attached herewith, being submitted by the parent company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').
2. This Statement, which is the responsibility of the Parent's Management and has been 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 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognized accounting principles generally accepted in India and is in compliance with the Regulations. 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 Standard 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 of material misstatement. 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 the 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.




NSVR & ASSOCIATES LLP

The Statement includes the results of the following entities:

(a) Holding Company	Kernex Microsystems (India) Limited
(b) Wholly Owned Subsidiary	Avant-Garde Infosystems Inc, USA (unaudited)
(c) Controlled Entity (Subsidiary)	Kernex TCAS JV (With 80% share to the company) (Unaudited by the auditors)
(d) Associate	a. VRRC KERNEX CE RVR JV (with 35% share to the company) (Unaudited by the auditors) *b. KERNEX VRRC JV (with 80% share to the company)

** The Company has formed a joint venture with M/s. Venkata Rami Reddy Constructions on 17.09.2025. The Company has executed the agreement with M/s. Venkata Rami Reddy Constructions. The joint venture is yet to commence its operations.*

Emphasis of Matter

We draw your attention to the company's assessment towards the recoverability of the following financial assets which are outstanding for long period of time:

- (a) Trade Receivables from customers amount to Rs. 422.73 lakhs (Previous Year Rs. 422.10 lakhs), with an Expected Credit Loss (ECL) provision of Rs. 217.87 lakhs for the current year (previous year Rs. 211.67 lakhs). These receivables have been outstanding for more than 3 years.
- (b) Bank guarantees amounting to Rs. 265.03 lakhs given to one of the customers are currently under arbitration / conciliation proceedings.

Such assessments are based on current facts and circumstances and may not necessarily reflect future uncertainties and events, and the final recoverable amounts may vary for the reasons mentioned therein. Our conclusion on the statement is not modified in respect of these matters.

Our conclusion on the statement is not modified in respect of the above matter.

Other matter

We did not review the interim financial statements / financial information / financial results of KERNEX TCAS JV (Controlled entity (Subsidiary) whose financial statements / financial information / financial results reflect total revenues Rs. 223.76 Lakhs and Rs. 223.76 Lakhs and total net profit/(loss) after tax of Rs. 8.85 lakhs and (Rs. 44.21) lakhs and total comprehensive income/(loss) of Rs. 8.85 lakhs and (Rs. 44.21) lakhs for the quarter and nine months ended 31st December 2025 respectively, as considered in the consolidated financial results. These financial statements / financial information / financial results 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 this entity is based solely on the reports of the other auditors and the procedures performed by us as stated above.



Our conclusion on the Statement is not qualified in respect of the matters.

We did not review the interim financial statements / financial information / financial results of **VRRC KERNEX CE RVR JV (Associate)** whose interim financial statements / financial information / financial results reflect total revenues of Rs. 986.96 lakhs and Rs. 2,801.69 lakhs and total net profit/(loss) after tax of (Rs. 1.60 lakhs) and (Rs. 2.02 lakhs) and total comprehensive income/(loss) of (Rs. 1.60 lakhs) and (Rs. 2.02 lakhs) for the quarter and nine months ended 31st December 2025 respectively, as considered in the consolidated financial results. These financial statements / financial information / financial results 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 this joint venture is based solely on the reports of the other auditors and the procedures performed by us as stated above.

Our conclusion on the Statement is not qualified in respect of the matters.

The Consolidated financial results include the interim financial results of **Avant-Garde Infosystems Inc (wholly owned subsidiary)** which have not been reviewed by us and their auditors, whose interim financial results reflect total revenues of Rs. Nil and Rs. 390.13 lakhs, total net profit/(loss) of (Rs. 22.53 lakhs) and Rs. 44.79 lakhs and total comprehensive income/(loss) of (Rs. 23.18 lakhs) and Rs. 41.23 lakhs for the quarter and nine months ended 31st December 2025 respectively, as considered in the consolidated financial results. According to the information and explanations given to us by the management, these financial statements / financial information / financial results are not material to the Group.

Our conclusion on the statement is not qualified in respect of the matters.

For NSVR & Associates LLP
Chartered Accountants
FRN: 008801S/S200060

V. Gangadhara Rao. N



V. Gangadhara Rao. N
Partner
Membership No: 219486
UDIN: 26219486CRLLLR7253

Place: Hyderabad
Date: 12/02/2026

Kernex Microsystems (India) Limited**CIN:L30007TG1991PLC013211**TECHNOPOLIS, Plot Nos: 38-41,Hardware Technology Park TSIC Layout,
Raviryal Maheshwaram, Ranga Reddy,Hyderabad - 501510. Telangana, India.**Unaudited Statement of Standalone Financial Results for the Quarter and Nine Months ended 31st December, 2025.****(₹ in Lakhs)**

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31st December 2025 Unaudited	30th September 2025 Unaudited	31st December 2024 Unaudited	31st December 2025 Unaudited	31st December 2024 Unaudited	31st March 2025 Audited
Income						
I. Revenue from operations	7,248.57	4,534.92	3,679.77	17,123.26	10,663.43	18,965.11
II. Other income	47.22	75.52	50.13	184.64	144.27	218.02
III. Total Income (I+II)	7,295.79	4,610.44	3,729.91	17,307.90	10,807.71	19,183.12
IV. Expenses:						
(a) Cost of raw materials consumed	17,982.00	6,736.01	2,119.12	27,549.20	6,675.07	9,450.49
(b) Changes in inventories of finished goods, work-in-progress and stock in trade	(15,453.88)	(5,043.40)	(672.72)	(20,757.51)	(1,562.61)	433.63
(c) Project execution expenses	1,778.24	492.22	903.69	2,982.10	1,724.66	2,247.01
(d) Employee benefits expense	902.49	738.43	497.39	2,290.91	1,206.10	1,842.31
(e) Finance cost	912.25	468.41	120.96	1,635.73	518.72	677.01
(f) Depreciation and amortization expense	188.40	97.11	61.99	369.27	189.86	282.78
(g) Other expenses	437.15	703.08	53.11	1,444.39	460.89	1,323.63
(h) Amount transferred to capital expenditure	(91.21)	(90.03)	(61.66)	(305.65)	(224.41)	(411.16)
Total Expenses(IV)	6,655.45	4,101.82	3,021.89	15,208.44	8,988.29	15,845.69
V.Profit/(loss) before exceptional items and tax from continuing operations (III- IV)	640.34	508.62	708.02	2,099.46	1,819.42	3,337.43
VI. Exceptional Items	-	-	-	-	-	-
VII.Profit/(loss) before tax from continuing operations (V-VI)	640.34	508.62	708.02	2,099.46	1,819.42	3,337.43
VIII.Tax expense:						
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax	20.93	258.27	(6.36)	493.17	(21.35)	(1,754.28)
Total Tax Expense/(Credit)-(net)	20.93	258.27	(6.36)	493.17	(21.35)	(1,754.28)
IX.Profit/(Loss) for the period from continuing operations	619.41	250.34	714.37	1,606.29	1,840.78	5,091.71
X.Profit/(Loss) for the period (IX)	619.41	250.34	714.37	1,606.29	1,840.78	5,091.71
XI.Other comprehensive income/(loss)	-	-	-	-	-	-
A.Items that will not be reclassified to Statement of Profit and loss						
plans	-	-	-	-	-	(26.93)
ii.Income tax effect on the above	-	-	-	-	-	6.78
B.Items that will be reclassified to Statement of Profit or loss						
i. Income tax relating to items that will be reclassified to Statement of Profit or loss	-	-	-	-	-	-
ii.Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
Total Other comprehensive income/(loss)	-	-	-	-	-	(20.15)
XII.Total comprehensive Income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period)(XIII+XIV)	619.41	250.34	714.37	1,606.29	1,840.78	5,071.56
XIII.Paid-up equity share capital (Equity Shares of face value ₹10 Each)	1,680.24	1,675.94	1,675.94	1,680.24	1,675.94	1,675.94
XIV.Other equity excluding revaluation reserves	-	-	-	17,553.68	12,380.26	15,700.90
XV.Earnings per equity share (EPS)						
1.Basic EPS - Face Value of ₹ 10/- each- ₹	3.70	1.49	4.26	9.58	10.98	30.38
2.Diluted EPS - Face Value of ₹ 10/- each - ₹	3.70	1.49	4.26	9.58	10.98	30.35
	<i>Not Annualised</i>					<i>Annualised</i>

Sreelakshmi
Manthra

Notes to the Unaudited Standalone Financial Results for the quarter and Nine Months ended 31st December, 2025

1. The results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 (Amended). These have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on 12 Th February , 2026.

2. The Company is engaged in the manufacture and sale of Safety Systems and Software services for railways. The Company has business operations mainly in India and in Egypt. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Plot No.38 (part) to 41, Survey No.1/1, Hardware Park, Raviryal Village, Maheswaram Mandal, Hyderabad - 501 510. The Company has its primary listings on the BSE Limited and National Stock Exchange in India. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company operates on one reportable segment, hence segment reporting as per Ind AS 108 is not applicable.

3. The Statutory Auditors have qualified their report with respect to non-recognition of impairment loss aggregating to ₹1,275.97 lakhs in the standalone financial statements, as required under Ind AS 36 - Impairment of Assets, in respect of the following:

Investment in Avant-Garde Infosystems, Inc. (AGI):

An amount of ₹1,275.97 lakhs representing the carrying cost of the investment in AGI, a wholly owned foreign subsidiary, has not been impaired despite erosion of its net worth.

Management's Response:

The management is of the view that AGI functions as a strategic cost center contributing to procurement efficiencies and overall operational synergies to the group as a whole, and therefore, its recoverable value cannot be assessed independently and it shall be assessed at group level cash generating unit (CGU). The group's cashflows have been significantly improved during the year 2025-26. Therefore, the management is of the view that the value in use of the CGU at group level exceeds the total net assets of the CGU at group level. Hence no provision in respect of impairment under Ind AS 36 is required to be provided.

4. Emphasis of Matter – Management's Assessment of Certain Financial Assets

The Statutory Auditors have included an Emphasis of Matter in their audit report regarding the Company's assessment of the recoverability of certain financial assets, as detailed below. The Management, based on internal evaluation and reasonable certainty of recovery, believes these assets are good and fully recoverable. Accordingly, no further provision is considered necessary at this stage:

A. Trade receivables from customers amount to ₹422.73 lakhs (Previous Year: ₹422.10 lakhs), with an Expected Credit Loss (ECL) provision of ₹ 217.87 lakhs for the current year (Previous Year: ₹211.67 lakhs). These receivables have been outstanding for more than three years.

B. Bank guarantees amounting to ₹265.03 lakhs given to one of the customers are currently under arbitration/conciliation proceedings.

C. The company has invested Rs.8.00 Lakhs as capital contribution and also given advance of Rs.633.69 Lakhs to Kernex TCAS JV, against this said advances, net assets available as on the reporting date in Kernex TCAS JV is Rs. 289.20 Lakhs only. Accordingly, a provision for diminution in the value of investment and advances amounting to Rs. 392.34 lakhs has been made in the books of the company

5. The figures for the corresponding previous periods have been regrouped/ reclassified wherever necessary, to make them comparable.

6. On November 21, 2025, the Government of India has consolidated 29 existing labour legislations into a united framework comprising four Labour codes viz Code on wages 2019, Code on Social Security 2020, Industrial Relation Code 2020 and Occupational Safety, Health and Working Condition Code 2020 (collectively referred to as the New Labour Codes). The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations.

The Company is already in compliance with the basic wages criteria as prescribed under New Labour Codes for own employees and there is no material impact on the company. The Company is in the process of evaluating the possible impacts for contract workforce. However, the management is of the view that impact, if any, is unlikely to be material.

Once the Central/State Rules are notified by the Government on all aspects of the New Labour Codes, the Company will evaluate impact, if any, on the measurement of the employee benefits and would provide appropriate accounting effect on the basis of such development as needed.

7. As at the reporting date, the Company's (Kernex scope of work) aggregate outstanding order book stands at approximately ₹3,268 Crores (Excluding GST), of which ₹2,500 Crores (excluding GST) relates to LOCO TCAS projects awarded by Chittaranjan Locomotive Works (CLW) and Banaras Locomotive Works (BLW).

8. The above Financial Results for the quarter ended December 31, 2025, are available on the company's website and stock exchanges websites BSE (www.bseindia.com) and NSE (www.nseindia.com), in compliance with SEBI LODR Regulations.

By and on behalf of Board of Directors
For Kernex Microsystems (India) Limited



Sreelakshmi Manthena

Managing Director

DIN: 07996443

Houston

12 Th February 2026.

B. STATEMENT ON DEVIATION OR VARIATION FOR PROCEEDS OF PUBLIC ISSUE, RIGHTS ISSUE, PREFERENTIAL ISSUE, QUALIFIED INSTITUTIONS PLACEMENT ETC:-Not Applicable

C. FORMAT FOR DISCLOSING OUTSTANDING DEFAULT ON LOANS AND DEBT SECURITIES:

There is no default on loans and debt securities during the Quarter ended 31st December 2025.

S. No.	Particulars	In INR Crore
1.	Loans / revolving facilities like cash credit from banks / financial institutions	
A	Total amount outstanding as on date	121.45
B	Of the total amount outstanding, amount of default as on date	0
2.	Unlisted debt securities i.e. NCDs and NCRPS	0
A	Total amount outstanding as on date	0
B	Of the total amount outstanding, amount of default as on date	0
3.	Total financial indebtedness of the listed entity including short term and long-term debt	121.45

D. FORMAT FOR DISCLOSURE OF RELATED PARTY TRANSACTIONS (applicable only for half-yearly filings i.e., 2nd and 4th quarter) : Not Applicable

E. STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION) SUBMITTED ALONG-WITH ANNUAL AUDITED FINANCIAL RESULTS (Standalone and Consolidated separately) (applicable only for Annual Filing i.e., 4th quarter):Not Applicable

Sreelakshmi Manthra

Independent Auditor's Review Report on Quarterly ended 31st December 2025 and Year to date 1st April 2025 to 31st December 2025 Unaudited Standalone Financial Results of M/s. KERNEX MICROSYSTEMS (INDIA) LIMITED, pursuant to Regulation 33 of the SEBI (Listing and Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report
To The Board of Directors of
M/s. Kernex Microsystems (India) Limited

1. We have reviewed the accompanying statement of standalone unaudited financial results of **Kernex Microsystems (India) Limited** ("the Company") for the quarter ended 31st December, 2025 and the year to date results for the period from 1st April 2025 to 31st December 2025 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 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 has been 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 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder ('Ind AS 34') and other recognized accounting principles generally accepted in India and is in compliance with the Regulations. 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 Standard 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 of material misstatement. 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.

Basis for Qualified Conclusion

a) The Company has a wholly owned subsidiary namely Avant-Garde Infosystems Inc. in USA which is presently supporting the business of the Company by identifying the sources, negotiating for and procuring electronic components from outside India. The subsidiary in the past was involved in the trading of goods.



NSVR & ASSOCIATES LLP

b) As per the latest unaudited financials of the subsidiary available as on 31st December 2025, the accumulated loss of the company for the period ended 31st December 2025 is USD 1.844 million (the equivalent Indian Rupees being Rs. 1,659.46 lakhs as per prevailing exchange rate) The accumulated losses have substantially eroded the value of the company's investment of USD 1.822 million. As a result, the carrying amount of investment in the equity of subsidiary in the books of account of the Company amounting to Rs. 1,275.97 lakhs (at Cost) stand's impaired fully. Ind AS 36 requires the company to provide for impairment in respect of diminution in the value of investments by charging the amount of impairment to the profit & loss account.

Since the Company has not impaired the cost of investments in the equity of subsidiary to an extent of Rs. 1,275.97 lakhs (Rs. 1,275.97 lakhs on account of diminution in the value of the investment in equity of the wholly owned subsidiary), the profit and other comprehensive income for the nine months ended are overstated by the said amount. The other equity in the balance sheet for the period ended is overstated by Rs. 1,275.97 lakhs.

Our conclusion on the standalone financial statements is qualified in respect of the above matter.

Emphasis of Matter

We draw your attention to the Note 4 to the Statement of Standalone Financial Results, which describes the company's assessment towards the recoverability of the following financial assets which are outstanding for long period of time:

(a) Trade Receivables from customers amount to Rs. 422.73 lakhs (previous year Rs. 422.10 lakhs) with an Expected Credit Loss (ECL) provision of Rs. 217.87 lakhs for the current year (previous year Rs. 211.67 lakhs). These receivables have been outstanding for more than 3 years.

(b) Bank guarantees amounting to Rs. 265.03 lakhs given to one of the customers are currently under arbitration / conciliation proceedings.

(c) The company has invested Rs. 8.00 lakhs as capital contribution and also given advance of Rs.633.69 lakhs to Kernex TCAS JV, against this said advances, net assets available as on the reporting date in Kernex TCAS JV is Rs. 289.20 lakhs only. Accordingly, a provision for diminution in the value of investment and advances amounting to Rs. 392.34 lakhs has been made in the books of the company.

Such assessments are based on current facts and circumstances and may not necessarily reflect future uncertainties and events, and the final recoverable amounts may vary for all reasons mentioned therein.

Our conclusion on the statement is not modified in respect of the above matter.

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Qualified Conclusion

Based on our review conducted as stated above, except for the effects/ possible effects of qualifications as described in the previous paragraph, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Indian Accounting Standards ('IND AS) 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 Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatements.

For NSVR & Associates LLP

Chartered Accountants

FRN: 008801S/S200060

V. Gangadhara Rao. N



V. Gangadhara Rao. N

Partner

Membership No: 219486

UDIN: 26219486LJDAPX2939

Place: Hyderabad

Date: 12/02/2026