



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: 21-22: NSE: 031

15th July 2021

To

The Manger – Listing Department
National Stock Exchange of India Limited,
Exchange Plaza, 5th Floor, Plot No. C/1, G Block,
BandraKurla Complex, Bandra (E),
Mumbai – 400 051

Sub: Reply to the clarification sought by NSE regarding Audited Financial Results for the 4th Quarter and financial year ended on 31.03.2021

Ref: i) Email Received from NSE dated July14, 2021
ii) Kernex Microsystems (India) Limited (SYMBOL: KERNEX)

Dear Sir/Madam,

With reference to your E-Mail dated 14.07.2021, seeking clarification on submission of financial results for the 4th Quarter and financial year ended on 31st March 2021, We wish to clarify that the following note on Standalone and Consolidated Audited Financial Results have got inadvertently missed out from the Notes to accounts which has been submitted to the Exchange:

"The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the current financial year."

We have rectified the same and are enclosing herewith the revised copy of Machine-Readable Form / Legible copy of the notes to the financial results for the 4th quarter and financial year ended March 31, 2021. Also note that there is no impact on the audit report and the financials due to the disclosure of these notes.

This is for your information and records.

Thanking You,
For Kernex Microsystems (India) Limited

M. B. Narayana Raju

M B Narayana Raju
Whole-Time Director
DIN: 07993925



ENCL.: As above



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Audited STANDALONE Statement of financial results for the quarter and year ended 31st Mar, 2021

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

Particulars	Quarter ended			Year ended	Year ended
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Unaudited	Audited	Audited	Audited
Income					
Revenue from operations	11,52,56,407	2,68,63,065	64,59,247	15,57,55,071	14,62,03,684
Other Income	1,11,75,384	18,39,737	1,41,09,688	1,83,40,110	18,26,41,078
Total income	12,64,31,791	2,87,02,802	2,05,68,935	17,40,95,182	32,88,44,762
Expenses					
Cost of materials consumed	6,68,59,658	1,94,90,808	80,62,444	9,36,67,842	8,81,65,720
Purchases of stock in trade	-	-	-	-	-
Changes in inventories of finished goods, work in progress and stock in trade	22,14,863	(2,78,77,875)	(16,00,540)	(5,32,54,663)	1,21,65,564
Employee benefit expense	1,35,77,162	1,25,64,267	1,17,45,377	4,88,89,642	4,40,47,051
Finance cost	11,09,109	42,11,953	14,60,042	91,44,097	1,27,71,581
Depreciation and amortization expense	38,95,853	39,56,914	41,16,688	1,55,45,723	1,73,08,015
Other expenses	2,45,15,957	1,29,43,426	2,96,80,841	5,58,57,149	7,41,18,670
Total expenses	11,21,72,601	2,52,89,493	5,34,64,851	16,98,49,789	24,85,76,601
Profit/(loss) before extraordinary, exceptional items and tax	1,42,59,189	34,13,309	(3,28,95,916)	42,45,393	8,02,68,161
Exceptional items					-
Profit/(loss) before tax	1,42,59,189	34,13,309	(3,28,95,916)	42,45,393	8,02,68,161
Tax expense					
(i) Current tax					-
(ii) Previous years tax					-
(iii) Deferred tax	10,03,146	-22,51,751	31,42,292	5,27,387	(3,39,256)
Net profit/(loss) for the year	1,32,56,043	56,65,060	(3,60,38,208)	37,18,006	8,06,07,417
Other comprehensive income					
Items that will not be reclassified to Statement of Profit and loss					
(i) Remeasurement gains/(losses) of the defined benefit plans	3,93,895		(27,053)	3,93,895	(27,053)
(ii) Income tax effect on the above					-
Total comprehensive Income for the year	1,36,49,938	56,65,060	(3,60,65,261)	41,11,901	8,05,80,364
Earnings per equity share (EPS)					
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	12,49,96,549	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.	1.06	0.45	(2.88)	0.30	6.45



M. D. Laxmi



**Notes:**

1. The above Audited Standalone Financial Results were reviewed and recommended by the Audit Committee are considered and approved by the Board of Directors at their meeting held on 19th June'2021. 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. In the Revenue, unbilled Revenue of Rs. 2,03,46,858/- is recognized.
5. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the current financial year.
6. Figures for the previous periods have been re-grouped/re-arranged, wherever considered necessary, in line with the current period presentation.
7. The results for the quarter ended 31st March'2021 are also available on Bombay Stock Exchange website, National Stock Exchange website and on the Company's Website

Place **Hyderabad**

Date **19th June 2021**

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



M. B. Narayana Raju

M.B.NarayanaRaju
Whole Time Director
DIN - 07993925

KERNEX MICROSYSTEMS (INDIA) LIMITED
Audited STANDALONE Statement of Assets and Liabilities as at 31st Mar, 2021
(All amounts in Indian Rupees, except share data and where otherwise stated)

Particulars	As at 31-Mar-21	As at 31-Mar-20
ASSETS		
Non-current assets		
Property, Plant and Equipment	31,53,57,854	32,57,32,414
Capital work-in-progress		2,50,634
Intangible assets	1,74,851	3,04,354
Financial assets		
Investments	8,03,77,825	10,97,21,223
Other financial assets	8,70,73,020	9,05,77,078
Other Non-current assets	2,44,84,328	2,34,82,947
Total non-current assets	50,74,67,878	55,00,68,650
Current assets		
Inventories	8,34,65,956	1,28,21,823
Financial assets		
Trade receivables	12,81,13,329	12,87,00,215
Cash and cash equivalents	4,18,47,952	46,01,955
Other bank balances	12,55,45,734	12,36,31,130
Other financial assets	32,22,713	16,76,266
Other current assets	7,85,84,033	2,23,76,743
Total current assets	46,07,79,716	29,38,08,131
TOTAL ASSETS	96,82,47,594	84,38,76,781
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	12,49,96,550	12,49,96,550
Other equity	57,57,64,608	57,12,50,355
Total Equity	70,07,61,158	69,62,46,905
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	-	-
Deferred tax liabilities	40,68,911	35,41,524
Other Non-current liabilities	2,99,27,656	2,99,46,507
Total Non-current liabilities	3,39,96,567	3,34,88,031
Current liabilities		
Financial liabilities		
Borrowings	13,81,35,572	5,47,00,055
Trade Payables	3,40,03,523	55,68,771
Other financial liabilities	2,45,541	4,39,222
Other current liabilities	6,11,05,232	5,34,33,797
Total current liabilities	23,34,89,869	11,41,41,845
TOTAL EQUITY AND LIABILITIES	96,82,47,594	84,38,76,781


M. D. Laxmi - 1



KERNEX MICROSYSTEMS (INDIA) LIMITED
Audited STANDALONE Statement of Cash Flows for the year ended 31st Mar, 2021

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

Particulars	31-Mar-21	31-Mar-20
Cash flows from operating activities		
Profit / (loss) before tax	42,45,393	8,02,68,161
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortisation	1,55,45,723	1,73,08,015
Foreign currency translation gain / (loss)	10,39,866	7,93,674
Written off / provision for obsolete stock		-
Sundry balances written off	2,94,731	-
Provision for doubtful advances	9,37,351	34,89,533
Provision for expected credit loss	-	-
Provision for slow/non moving stocks	-	-
Liabilities no longer required written off	(32,04,772)	(79,06,972)
(Profit) on disposal of property, plant and equipment	(15,51,620)	(15,41,41,629)
Finance costs	91,44,097	1,27,71,581
Interest income	(1,33,24,475)	(78,81,375)
Changes in assets and liabilities		
Trade receivables	5,86,886	2,28,94,698
Inventories	(7,06,44,133)	1,21,28,176
Other assets	(5,52,51,059)	71,11,370
Trade payables	2,84,34,753	31,74,096
Other liabilities	9,28,74,125	(7,06,81,878)
Net cash flow from operating activities A	91,26,866	(8,06,72,551)
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	34,63,568	23,82,89,375
Purchase of property, plant and equipment	(69,53,608)	(11,27,982)
Investment in 100% WOS	-	(6,77,46,875)
Investment in JV	2,93,43,398	(3,01,43,398)
Interest income	1,33,24,475	78,81,375
Net cash flow used in investing activities B	3,91,77,833	14,71,52,495
Cash flow from financing activities		
Repayment of long term borrowings	-	(1,93,681)
Finance costs	(91,44,097)	(1,27,71,581)
Net cash flow (used in)/from financing activities C	(91,44,097)	(1,29,65,262)
Net increase in cash and cash equivalents (A+B+C) A+B+C	3,91,60,602	5,35,14,682
Cash and bank balances at the beginning of the year	12,82,33,085	7,47,18,403
Cash and cash equivalents at the end of the year	16,73,93,686	12,82,33,085



M. D. Dhanraj





Independent Auditor's Report on the Quarterly and Year to Date Audited 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 Audited the accompanying Statement of Audited standalone financial results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** for the quarter and year ended 31st March'2021 ("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.

Basis for Qualified Conclusion

Other financial assets amounting to Rs. 6.00 crores which is outstanding for more than 3year has been subject to balance confirmation from the respective party/(s). According to the information and explanations given to us, the amount is recoverable and the company is taking steps obtaining balance confirmation. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of the aforesaid receivable as at 31st March2021 or any adjustment/impairment required to and the consequent impact if any, on the financial results. Our audit opinion on the financial statements for the year ended 31stMarch 2020 was also qualified in this regard.

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.
6. The statement includes the results for the quarter ended 31st March, 2021 being the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations. Our report on the statement is not modified in respect of this matter.

Our report is not modified in respect of this matter.

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


Y. Venkateswarlu
Partner
Membership No. 222068



Place: Hyderabad
Date: June 19, 2021

UDIN	21222068AAAABU2689
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ANNEXURE – I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results – (Standalone Financials)

(Rs In Lakhs)

I	S No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1	Turnover/Total Income	1,740.95	1,740.95
	2	Total Expenditure	1,698.50	2,298.50
	3	Net Profit/(Loss)	42.45	-557.55
	4	Earnings Per Share	0.30	-0.45
	5	Total Assets	9,682.48	9,082.48
	6	Total Liabilities	9,682.48	9,082.48
	7	Net Worth	7,007.61	6,407.61
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	i) Recoverability of Other Financial Assets under Non-current Assets in absence of Confirmations			
	b. Type of Audit Qualification: Qualified Opinion			
	c. Frequency of qualification:			
	i) Recoverability of Other Financial Assets under Non-current Assets in absence of Confirmations – appeared fourth time.			
	d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's views: The Company is confident of recovering these amounts.			
	e. For Audit Qualification(s) where the impact is not quantified by the Auditor:			
	i) Management's estimation on the impact of audit qualification:			
	ii) If Management is unable to estimate the impact, reasons for the same:			
	iii) Auditors' Comments on (i) or (ii) above:			
III	Signatories:			
	• Whole Time Director			
	• Chief Executive Officer			
	• Chief Finance Officer			
	• Audit Committee Chairman			
	• Statutory Auditor			
	Place: Hyderabad			
	Date: 19-June-2021			



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Audited CONSOLIDATED Statement of financial results for the quarter and year ended 31st Mar, 2021

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Unaudited	Audited	Audited	Audited
Revenue from operations	13,96,84,785	2,92,50,202	64,59,247	18,32,34,444	14,88,12,096
Other Income	55,13,305	18,39,739	1,43,51,637	1,25,86,271	18,28,83,758
Total income	14,51,98,090	3,10,89,941	2,08,10,884	19,58,20,715	33,16,95,854
Expenses					
Cost of materials consumed	7,14,57,008	1,55,97,373	80,62,444	9,43,71,757	9,06,34,248
Purchases of stock in trade	-	-	-	-	-
Changes in inventories of finished goods, work in progress and stock in trade	22,14,863	(2,78,77,875)	(16,00,540)	(5,32,54,663)	1,21,65,564
Employee benefit expense	1,47,77,162	1,37,64,267	1,17,48,544	5,12,89,642	4,44,99,491
Finance cost	6,96,436	61,64,071	4,69,91,092	1,45,64,114	5,83,02,631
Depreciation and amortization expense	38,97,968	39,59,033	41,18,837	1,55,60,726	1,73,16,185
Other expenses	2,07,29,567	1,33,97,141	2,98,26,624	5,25,57,153	7,48,66,538
Total expenses	11,37,73,004	2,50,04,010	9,91,47,001	17,50,88,728	29,77,84,656
Profit/(loss) before extraordinary, exceptional items and tax	3,14,25,085	60,85,931	(7,83,36,117)	2,07,31,987	3,39,11,198
Extraordinary items					
Exceptional items					
Profit/(loss) before tax	3,14,25,085	60,85,931	(7,83,36,117)	2,07,31,987	3,39,11,198
Tax expense					
(i) Current tax	-	-	-	-	-
(ii) Previous years tax	-	-	-	-	-
(ii) Deferred tax	10,03,146	-22,51,751	31,42,292	5,27,387	(3,39,256)
Net profit/(loss) for the period/year	3,04,21,939	83,37,682	(8,14,78,409)	2,02,04,600	3,42,50,454
Other comprehensive income					
A (i) Items that will not be reclassified to Statement of Profit and loss	3,93,895.00	-	-27,053	3,93,895	(27,053)
(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	88,10,433	90,13,637	(1,35,062)	7,514	(1,35,062)
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss			-	-	-
Total comprehensive Income	3,96,26,268	1,73,51,319	(8,16,40,524)	2,06,06,009	3,40,88,339
Attributable to					
Shareholders of the Company	3,93,35,441	1,69,59,684	(8,16,70,948)	2,05,75,585	3,40,57,915
Non controlling interest	2,90,827	3,91,635	30,424	30,424	30,424
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
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	2.43	0.67	(6.52)	1.62	2.74



M. D. Laxmi



**Notes:**

1. The above Audited Consolidated Financial Results were reviewed and recommended by the Audit Committee are considered and approved by the Board of Directors at their meeting held on 19th June'2021. 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. In the Revenue, unbilled Revenue of Rs. 2,03,46,858/- is recognized.
5. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures up to the third quarter of the current financial year.
6. Figures for the previous periods have been re-grouped/re-arranged, wherever considered necessary, in line with the current period presentation.
7. The results for the quarter ended 31st March'2021 are also available on Bombay Stock Exchange website, National Stock Exchange website and on the Company's Website

Place **Hyderabad**

Date **19th June 2021**

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



M.B.NarayanaRaju
Whole Time Director
DIN - 07993925



KERNEX MICROSYSTEMS (INDIA) LIMITED

Audited CONSOLIDATED Statement of Assets and Liabilities as at 31st Mar, 2021

Particulars	As at 31-Mar-21 Audited	As at 31-Mar-20 Audited
ASSETS		
Non-current assets		
Property, Plant and Equipment	31,53,57,854	32,57,32,414
Capital work-in-progress	-	2,50,634
Intangible assets	1,74,851	3,04,354
Financial assets		
Investments	-	
Other financial assets	8,70,73,020	9,05,77,078
Deferred tax assets (net)		-
Other Non-current assets	2,46,08,044	2,35,14,079
Total non-current assets	42,72,13,769	44,03,78,559
Current assets		
Inventories	8,34,65,956	1,28,21,823
Financial assets		
Trade receivables	11,98,07,328	12,87,00,215
Cash and cash equivalents	4,84,50,957	49,66,814
Other bank balances	12,85,73,734	14,40,33,206
Other financial assets	2,34,07,313	16,76,266
Other current assets	9,20,56,069	5,65,93,517
Total current assets	49,57,61,357	34,87,91,840
TOTAL ASSETS	92,29,75,126	78,91,70,402
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	12,49,96,550	12,49,96,550
Other equity	50,15,27,235	46,47,43,322
Equity attributable to Shareholders of the Company	62,65,23,785	58,97,39,872
Non-controlling interests	10,35,068	30,424
Total Equity	62,75,58,853	58,97,70,296
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	-	-
Provisions	-	-
Deferred tax liabilities	40,68,911	35,41,524
Other Non-current liabilities	2,99,27,656	2,99,46,507
Total Non-current liabilities	3,39,96,567	3,34,88,031
Current liabilities		
Financial liabilities		
Borrowings	20,24,63,000	10,64,70,286
Trade Payables	1,13,59,152	55,68,771
Other financial liabilities	2,45,541	4,39,222
Other current liabilities	4,73,52,013	5,34,33,797
Provisions		-
Total current liabilities	26,14,19,706	16,59,12,076
TOTAL EQUITY AND LIABILITIES	92,29,75,126	78,91,70,402



M. D. Daryaz





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Audited CONSOLIDATED Statement of Cash Flows for the year ended 31st Mar, 2021

Particulars	31-Mar-21	31-Mar-20
Cash flows from operating activities		
Profit / (Loss) before tax	2,02,04,600	3,39,11,198
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortisation	1,55,45,723	1,73,08,015
Foreign Currency translation reserve	10,39,866	7,93,674
Written off / Provision for obsolete stock	-	-
Sundry balances written off	2,94,731	-
Provision for Doubtful Advances	9,37,351	34,89,533
Provision for expected credit loss	-	-
Provision for slow/non moving stocks	-	-
Liabilities no longer required written off	(32,04,772)	(79,06,972)
(Profit) / Loss on sale of Fixed assets	(15,51,620)	(15,41,41,629)
Finance costs	1,45,64,114	5,83,02,631
Interest income	(1,33,24,475)	(81,24,054)
Changes in assets and liabilities		
Trade receivables	23,04,83,415	2,24,80,211
Inventories	1,20,08,992	1,21,28,176
Other assets	(5,47,83,506)	(46,70,056)
Trade payables	57,90,382	31,74,096
Other liabilities	(19,52,50,451)	(8,92,52,343)
Net cash flow from operating activities (A)	3,27,54,350	(11,25,07,520)
Cash flows from investing activities		
Sale of Fixed Assets	34,63,568	23,82,89,375
Purchase of property, plant and equipment	(69,53,608)	(11,27,982)
Interest received	1,33,24,475	81,24,054
Net cash flow used in investing activities (B)	98,34,435	24,52,85,447
Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	-
Other non-current liabilities	-	(1,93,681)
Other non operating income	-	-
Finance costs	(1,45,64,114)	(5,83,02,631)
Net cash flow (used in)/from financing activities (C)	(1,45,64,114)	(5,84,96,312)
Net increase in cash and cash equivalents (A+B+C)	2,80,24,671	7,42,81,615
Cash and Bank Balances at the beginning of the year	14,90,00,020	7,47,18,404
Cash and cash equivalents at the end of the year	17,70,24,691	14,90,00,020



Mr. D. Lakshmi





Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated 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 Audited the accompanying Statement of Audited Consolidated financial results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** ("the Parent")its Subsidiaries and Joint Ventures (the Parent, Subsidiaries and its Joint Ventures together referred to as "the Group") for the quarter and year ended March 31, 2021(the "statement"),being submitted by the Holding 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 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 following entities.

Holding Company

Kernex Microsystems (India) Limited

Wholly owned subsidiary

Avant-Garde Infosystems Inc, USA

Controlled entity (Joint Venture)

Kernex TCAS JV

Basis for Qualified Conclusion

Other financial assets amounting to Rs. 6.00 crores which is outstanding for more than 4 year has been subject to balance confirmation from the respective party/(s). According to the information and explanations given to us, the amount is recoverable and the company is taking steps obtaining balance confirmation. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of the aforesaid receivable as at 31st March 2021 or any adjustment/impairment required to and the consequent impact if any, on the financial results. Our audit opinion on the financial statements for the year ended 31 March 2020 was also qualified in this regard.

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. The accompanying statement includes the unaudited interim financial results and other financial information of 1 wholly owned subsidiary whose unaudited interim financial results include total revenues of Rs.3.76 Cr and total profit after tax of Rs.1.25 Cr and other comprehensive income of Rs. Nil Cr for the year ended March 31, 2021 as considered in the consolidated Audited 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.
7. The accompanying statement includes the unaudited interim financial results and other financial information of 1 Joint Venture whose Audited interim financial results include total revenues of Rs. 13.17 Cr and total profit after tax of Rs. 40.23 Lacs and other comprehensive income of Rs. Nil for the year ended 31st March 2021 as considered in the consolidated financial statements. These interim financial results and other financial information are audited 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 those unaudited financial statement/financial information furnished by the Management.





8. The wholly owned subsidiary is located outside India i.e USA whose financial results and other financial information have been compiled by a CPA in accordance with accounting principles generally accepted in USA. The Holding Company's management has converted the financial results of wholly owned subsidiary located in USA from accounting principles generally accepted in USA to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary located in USA is based on the report of the Certified Public Accountant and conversion adjustments prepared by the management of the Holding Company.
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.
10. The statement includes the results for the quarter ended 31st March, 2021 being the balancing figures between the audited figures in respect of the full financial year ended 31st March, 2021 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations. Our report on the statement is not modified in respect of this matter.

For PRSV & Co. LLP

Chartered Accountants

Firm's Registration No. S200016

Y. Venkateswarlu

Partner

Membership No. 222068



Place: Hyderabad

Date: June 19, 2021

UDIN	21222068AAAABU2689
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ANNEXURE – I

Statement of Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results – (Consolidated Financials)

(Rs In Lakhs)

I	S No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (as reported after adjusting for qualifications)
	1	Turnover/Total Income	1,958.21	1,958.21
	2	Total Expenditure	1,750.89	2,350.89
	3	Net Profit/(Loss)	207.32	-392.68
	4	Earnings Per Share	1.62	-0.31
	5	Total Assets	9,229.75	8,629.75
	6	Total Liabilities	9,229.75	8,629.75
	7	Net Worth	6,275.59	5,675.59
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II	Audit Qualification (each audit qualification separately):			
	a. Details of Audit Qualification:			
	i) Recoverability of Other Financial Assets under Non-current Assets in absence of Confirmations			
	ii) Type of Audit Qualification: Qualified Opinion			
	b) Frequency of qualification:			
	i) Recoverability of Other Financial Assets under Non-current Assets in absence of Confirmations – appeared fourth time.			
	ii) For Audit Qualification(s) where the impact is quantified by the Auditor, Management's views: The Company is confident of recovering these amounts.			
	iii) For Audit Qualification(s) where the impact is not quantified by the Auditor:			
	iv) Management's estimation on the impact of audit qualification:			
	v) If Management is unable to estimate the impact, reasons for the same:			
	vi) Auditors' Comments on (i) or (ii) above:			
III	Signatories:			
	Whole Time Director			
	Chief Executive Officer			
	Chief Finance Officer			
	Audit Committee Chairman			
	Statutory Auditor			
	Place: Hyderabad			
	Date: 19-June-2021			