

# KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

CIN : L30007TG1991PLC013211

Tel : +91 8414-667600

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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/Q4/24-25/021

23<sup>rd</sup> May 2025

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 – Kurla Complex, Bandra (E)  
Mumbai – 400 051  
**NSE Symbol: KERNEX**

Sir / Madam,

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

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

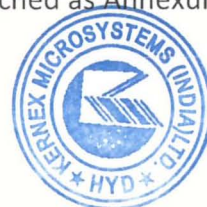
This is in continuation to our earlier intimation dated 16<sup>th</sup> May 2025, towards meeting of the Board of Directors of the Company, scheduled on 23<sup>rd</sup> May 2025 and in terms of Regulation 30 read with Para, Part A of Schedule III to the SEBI Listing Regulations, we wish to inform you that the Board of Directors of the Company, at its meeting held today, inter alia, has considered and approved the following:

- I. Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), the Board of Directors have approved the Audited Standalone and Consolidated Financial Results/Statements for the quarter and financial year ended on 31st March 2025 together with statement of Assets and Liabilities as on 31st March 2025 and Cash Flow statement for the financial year ended on 31st March 2025 and have taken note of the unmodified Audit Reports issued by M/s. NSVR and Associates LLP, Chartered Accountants (Statutory Auditors), on the aforementioned financial results.

A copy of the aforementioned financial results and the Audit Reports issued by the Statutory Auditors are enclosed.

- II. The Board of directors, as recommended by the Nomination and Remuneration Committee, Audit Committee, have approved the appointment of Ms. Sreelakshmi Manthena (DIN 7996443) as Managing Director of the Company for a period of 3 years effective from 23<sup>rd</sup> May 2025, subject to approval of the shareholders and such other approvals as may be required. The profile is attached as Annexure -A.

*M. A. D. G.*





Further, in compliance with circular No. LIST/COMP/14/2018-19 issued by BSE Limited and circular No. NSE/CML/2018/24 issued by National Stock Exchanges of India Limited, we wish to confirm that Ms. Sreelakshmi Manthena (DIN 7996443) has not been debarred from holding the office of Director by virtue of any SEBI order or any other authority.

- III. Approved the re-appointment of M/s. Thirupathi & Associates as the Internal Auditors of the Company for the F.Y 2025-26. The brief profile is attached as Annexure -B.
- IV. Grant of 1,200 ESOP to eligible employees

The aforesaid Board Meeting commenced at 09.00 A.M. and concluded at 12:45 P.M.

Kindly take the above information on record and acknowledge.

Thanking you,  
Yours faithfully,  
For **KERNEX MICROSYSTEMS (INDIA) LIMITED**

**M B NARAYANA RAJU**  
**WHOLE-TIME DIRECTOR**  
**DIN: 07993925**



**Annexure A**

Disclosures required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated 9 September 2015 and other disclosures:

**Brief profile of Ms. Sreelakshmi Manthena**

SL No.	Particulars	Details
1	Name	Ms. Sreelakshmi Manthena
2	Director Identification Number	7996443
3	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of Ms. Sreelakshmi Manthena as Managing Director
4	Date of reappointment and term of reappointment	Appointment as Managing Director for a period of 3 (three) years effective from 23 <sup>rd</sup> May 2025, subject to the approval of the shareholders
5	Brief Profile (in case of appointment)	She has been associated with our Company since more than 12 years and has more than 13 years of experience in Electronic industry. She is actively involved in leading & directing the company towards new technology, systems and finding new avenues for growth. She is providing resources needed to ensure the translation of ideas into reality. She takes strategic decisions for consistent growth and sustenance of the organization
6	Disclosure of relationships between directors (in case of appointment of a director)	Daughter of Dr. Anji Raju Manthena Non-executive Director and Promoter Sister of Mr. Sitarama Raju Manthena, Whole Time Director
7	Information as required under Circular No. LIST/COMP/14/2018-19 issued by the BSE Limited and NSE	Not Applicable. Ms. Sreelakshmi Manthena is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

*M. S. Manthena*



**Annexure B**

Disclosures required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular CIR/CFD/CMD/4/2015 dated 9 September 2015 and other disclosures:

**Brief profile of Internal Auditors: M/s. Thirupathi & Associates**

SL No.	Particulars	Details
1	Name of the Internal Auditors	M/s. Thirupathi & Associates
2	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of M/s. Thirupathi & Associates as the Internal Auditors of the Company
3	Date of appointment, <del>cessation</del> and term of appointment	23 <sup>rd</sup> May 2025 For the financial year 2025-26
4	Brief Profile (in case of appointment)	<p>M/s. Thirupathi &amp; Associates (Firm Regn. No.: 13000S) as statutory and internal audit firm established in 2011, has a rich history that stretches over more than 15 years, and the team is mentored by a senior professional of repute, who has 15 years of experience in to Statutory Audits, Internal Audits, Tax Audits, GST Audits, Accounting, Direct Tax, Indirect Tax, Project Finance, Customs, Financial services, Company Law matters, Fixed Assets, FEMA, XBRL, and Transfer Pricing related matters etc.</p> <p>To meet the specific requirements of the clients, we strictly adhere to standard Operational &amp; Professional norms and provide the best possible solution and consultancy for their respective issues. With the active support we receive from our competent team of professionals, we have managed always to provide effective services to our esteemed clients The firm is Peer reviewed and Quality reviewed in terms of the guidelines issued by the ICAI.</p>
5	Disclosure of Relationships between Directors (in case of appointment of Director)	Not Applicable
6	Information as required under Circular No. LIST/COMP/14/2018-19 issued by the BSE Limited and NSE	Not Applicable

*M. N. S. Reddy*





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 31 March 2025.

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

D. FORMAT FOR DISCLOSURE OF RELATED PARTY TRANSACTIONS (applicable only for half-yearly filings i.e., 2<sup>nd</sup> and 4<sup>th</sup> quarter) : Enclosed

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., 4<sup>th</sup> quarter): Enclosed



Statement of Consolidated Audited Financial Results for Year Ended/Quarter ended 31st March 2025.

(₹ in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31st March 2025 Audited	31st December 2024 Unaudited	31st March 2024 Audited	31st March 2025 Audited	31st March 2024 Audited
<b>Income</b>					
I. Revenue from operations	8,306.96	3,680.80	891.26	18,977.39	1,959.80
II. Other income	62.27	32.93	8.24	144.71	130.63
<b>III. Total Income (I+II)</b>	<b>8,369.23</b>	<b>3,713.73</b>	<b>899.50</b>	<b>19,122.10</b>	<b>2,090.43</b>
<b>IV. Expenses:</b>					
(a) Cost of raw materials consumed	2,748.73	2,159.38	1,441.52	9,424.86	5,044.58
(b) Changes in inventories of finished goods, work-in-progress and stock in trade	1,996.24	(672.72)	(4,241.16)	433.63	(3,754.99)
(c) Project execution expenses	421.18	754.47	4,351.77	2,036.85	662.02
(d) Employee benefits expenses	652.38	512.66	363.35	1,905.31	1,253.29
(e) Finance cost	161.24	121.90	51.56	691.94	288.97
(f) Depreciation and amortization expense	92.92	61.86	53.20	282.78	234.04
(g) Other expenses	963.18	130.68	498.22	1,507.29	1,394.95
(h) Amount transferred to capital expenditure	(186.76)	(61.67)	(287.15)	(411.16)	(352.77)
<b>Total Expenses(IV)</b>	<b>6,849.11</b>	<b>3,006.57</b>	<b>2,231.32</b>	<b>15,871.49</b>	<b>4,770.10</b>
<b>V.Profit/(loss) before exceptional items and tax from continuing operations (III- IV)</b>	<b>1,520.12</b>	<b>707.16</b>	<b>(1,331.82)</b>	<b>3,250.61</b>	<b>(2,679.67)</b>
<b>VI. Exceptional Items</b>	-	-	-	-	-
<b>VII.Profit/(loss) before tax from continuing operations (V-VI)</b>	<b>1,520.12</b>	<b>707.16</b>	<b>(1,331.82)</b>	<b>3,250.61</b>	<b>(2,679.67)</b>
<b>VIII.Tax expense:</b>					
(a) Current tax	-	-	-	-	-
(b) Deferred tax	(1,732.92)	(6.35)	(64.73)	(1,754.28)	(8.69)
<b>Total Tax Expense/Credit(net)</b>	<b>(1,732.92)</b>	<b>(6.35)</b>	<b>(64.73)</b>	<b>(1,754.28)</b>	<b>(8.69)</b>
<b>IX.Profit/(Loss) for the year from continuing operations</b>	<b>3,253.04</b>	<b>713.51</b>	<b>(1,267.09)</b>	<b>5,004.88</b>	<b>(2,670.98)</b>
<b>X.Profit/(loss) for the period (IX)</b>	<b>3,253.04</b>	<b>713.51</b>	<b>(1,267.09)</b>	<b>5,004.88</b>	<b>(2,670.98)</b>
<b>Profit for the period attributable to:</b>					
a. Equity holders of the company	3,258.59	718.38	(1,262.07)	5,023.69	(2,641.20)
b. Non-controlling interests	(5.55)	(4.86)	(5.03)	(18.81)	(29.79)
<b>XI.Other comprehensive income/(loss)</b>	<b>(20.10)</b>	<b>2.41</b>	<b>(1.14)</b>	<b>(17.76)</b>	<b>95.70</b>
<b>A. Items that will not be reclassified to Statement of Profit and loss</b>					
i. Remeasurement gains/(losses) of the defined benefit plans	(28.10)	-	0.81	(28.10)	0.81
ii. Income tax effect on the above	6.78	-	(0.21)	6.78	(0.21)
<b>B. Items that will be reclassified to Statement of Profit or loss</b>	<b>1.22</b>	<b>2.41</b>	<b>(1.74)</b>	<b>3.57</b>	<b>95.10</b>
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	-	-	-	-	-
<b>XII.Total comprehensive Income for the period (X+XI) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>3,232.94</b>	<b>715.93</b>	<b>(1,268.24)</b>	<b>4,987.13</b>	<b>(2,575.28)</b>
<b>Profit for the period attributable to:</b>					
a. Equity holders of the company	3,238.49	720.79	(1,263.21)	5,005.94	(2,545.50)
b. Non-controlling interests	(5.55)	(4.86)	(5.03)	(18.81)	(29.79)
<b>XIII.Paid-up equity share capital (Equity Shares of face value ₹10 Each)</b>	<b>1,675.94</b>	<b>1,675.94</b>	<b>1,675.94</b>	<b>1,675.94</b>	<b>1,675.94</b>
<b>XIV.Other equity excluding revaluation reserves</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,115.11</b>	<b>8,985.27</b>
<b>XV.Earnings per equity share (EPS)</b>					
1. Basic EPS - Face Value of Rs.10/- each ₹	19.4434	4.2900	(7.5300)	29.9753	(16.6072)
2. Diluted EPS - Face Value of Rs.10/- each ₹	19.3951	4.2900	(7.5300)	29.9474	(16.6072)
	<i>Not Annualised</i>	<i>Not Annualised</i>	<i>Not Annualised</i>	<i>Annualised</i>	<i>Annualised</i>

**Notes to the Consolidated Audited Financial Results for the quarter and year ended March 31, 2025**

- 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 May 23, 2025.
- 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, Maheshwaram Mandal, Hyderabad - 501510. 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  
**a) Trade Receivables:**  
Trade receivables amounting to Rs. 422.10 lakhs (Previous Year: Rs.418.34 lakhs) and respective Expected Credit Loss (ECL) provision for the Current Year Rs. 211.67 Lakhs (Previous Year Rs.183.58 Lakhs).  
**b) Margin Money Deposits:**  
Margin money deposits with banks aggregating ₹1,905.12 lakhs (Previous Year ₹1,513.31 lakhs) are held as security against performance guarantees amounting to ₹3,521.18 lakhs (Previous Year: ₹2,161.71 lakhs) provided to customers, which are currently under arbitration/negotiation. Management expects no loss on realization of these deposits.  
4. Deferred Tax is recognised as per Ind AS 12 on the tax bases available to the company.  
5. The consolidated results of the company 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 VRRK KERNEX CE RVR JV( 35% owned by Kernex Microsystems( India) limited).  
6. The figures for the corresponding previous periods have been regrouped/ reclassified wherever necessary, to make them comparable.  
7. The figures for quarter ended March 31, 2025 are balancing figures between the audited figures of the full financial year and the limited reviewed year-to-date figures upto the third quarter of the financial year.  
8. The above Financial Results for the quarter and year ended March 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.



**Kernex Microsystems (India) Limited**

CIN:L30007TG1991PLC013211

TECHNOPOLIS, Plot Nos: 38-41, Hardware Technology Park TSIIC Layout,  
RAVIRYAL Maheshwaram, Ranga Reddy, Hyderabad - 501510. TS India.**Statement of Consolidated Assets and Liabilities** as at March 31, 2025

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
a) Property plant and Equipment	2,498.63	2,368.15
b) Intangible assets	0.28	0.84
c) Intangible assets under development	702.96	231.39
d) Financial assets		
(i) Other financial assets	222.62	252.55
e) Deferred tax assets (net)	1,768.66	-
	<b>5,193.15</b>	<b>2,852.93</b>
<b>2 Current assets</b>		
a) Inventories	5,258.37	7,169.57
b) Contract assets	2,975.50	-
b) Financial assets		
(i) Trade receivables	2,364.92	503.15
(ii) Cash and cash equivalents	1,502.12	390.83
(iii) Bank balances other than (ii) above	1,930.59	1,532.34
(iv) Other financial assets	816.14	24.45
c) Income Tax Assets (net)	521.66	413.88
d) Other current assets	3,082.63	2,984.56
	<b>18,451.94</b>	<b>13,018.78</b>
<b>Total assets</b>	<b>23,645.08</b>	<b>15,871.71</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
a) Equity Share Capital	1,675.94	1,675.94
b) Other Equity	14,115.11	8,985.27
<b>Total equity attributable to equity holders of holding company</b>	<b>15,791.05</b>	<b>10,661.21</b>
Non-controlling interests	(60.06)	(41.25)
<b>Total equity</b>	<b>15,730.99</b>	<b>10,619.97</b>
<b>2 Non-current liabilities</b>		
a) Financial Liabilities		
i) Borrowings	47.78	18.52
b) Deferred Tax Liability	-	114.96
c) Provisions	423.03	13.16
	<b>470.81</b>	<b>146.65</b>
<b>3 Current liabilities</b>		
a) Contract liabilities	16.50	-
b) Financial Liabilities		
(i) Borrowings	3,984.49	2,780.64
(ii) Trade Payables	-	-
a) total outstanding dues of micro enterprises and small enterprises	50.23	67.85
b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,999.76	1,558.48
(iii) Other financial liabilities	510.30	12.96
c) Other current liabilities	861.87	680.98
d) Provisions	20.13	4.18
	<b>7,443.28</b>	<b>5,105.09</b>
<b>Total liabilities</b>	<b>7,914.09</b>	<b>5,251.74</b>
<b>Total equity and liabilities</b>	<b>23,645.08</b>	<b>15,871.71</b>

Hyderabad  
23-05-2025M. N. S. J. - 1  
**Badari Narayana Raju Manthana**  
Whole Time Director  
DIN: 07993925

**Kernex Microsystems (India) Limited**  
CIN:L30007TG1991PLC013211  
TECHNOPOLIS, Plot Nos: 38-41, Hardware Technology Park TSIIC Layout,  
RAVIRYAL Maheshwaram, Ranga Reddy, Hyderabad - 501510. TS India.

**Consolidated Statement of Cash Flows for the year ended March 31,2025**

(₹ in Lakhs)

	March 31,2025	March 31,2024
<b>A Cash flows from operating activities</b>		
Profit before tax from continuing operations	3,250.61	(2,679.67)
<b>Profit before tax</b>	<b>3,250.61</b>	<b>(2,679.67)</b>
<i>Adjustments to reconcile profit before tax to net cash flows :</i>		
Depreciation and amortisation expenses	282.78	234.04
Impairment of Software under development	-	262.96
Share-based payment expense	126.57	-
Net foreign exchange differences (unrealised)	(10.97)	179.46
(Profit)/Loss disposal of property, plant and equipment(net)	0.16	(1.90)
Finance costs	691.94	288.97
Sundry balances written off	2.44	18.43
Provision for doubtful debts (Lifetime expected credit loss)	78.63	267.62
Provision for obsolete stock/ Others	100.07	8.99
Provision for warranties	407.55	-
<b>Operating Profit/(Loss) before working capital changes</b>	<b>4,929.76</b>	<b>(1,421.11)</b>
<i>Working capital adjustments:</i>		
(Increase)/decrease in other financial assets	(750.78)	(51.55)
(Increase)/decrease in inventories	1,811.13	(5,772.88)
(Increase)/decrease in Contract assets	(2,975.50)	-
(Increase)/decrease in trade receivables	(1,945.51)	12.26
(Increase)/decrease in margin money towards bank guarantees with bank	(398.25)	189.04
(Increase)/decrease in Income Tax Assets (net)	(230.34)	(136.05)
(Increase)/decrease in other current assets	(98.07)	(1,419.14)
Increase/(decrease) in provisions	(6.26)	(33.95)
Increase/(decrease) in Contract liabilities	16.50	-
Increase/(decrease) in trade payables	423.66	1,505.99
Increase/(decrease) in Other financial liabilities	497.33	68.71
Increase/(decrease) in other current liabilities	180.89	(52.95)
<b>Cash generated from operations</b>	<b>1,454.57</b>	<b>(7,111.65)</b>
Income tax paid	-	-
<b>Net cash flows from operating activities</b>	<b>(A) 1,454.57</b>	<b>(7,111.65)</b>
<b>B Cash flows from Investing activities</b>		
Purchase of Property Plant and Equipment & Intangible	(413.12)	(249.95)
Sale proceeds of Property Plant and Equipment & Intangible	0.25	22.13
Increase in Intangible Assets Under Development	(471.57)	(231.39)
<b>Net cash flows used in investing activities</b>	<b>(B) (884.44)</b>	<b>(459.21)</b>
<b>C Cash flows from Financing activities</b>		
Proceeds from issuance of equity share capital	-	130.00
securities premium	-	4,862.25
Proceeds from borrowings	36.36	(13.74)
Repayment of borrowings	15.29	(17.79)
Inter corporate deposit (ICD) including conversion to Equity	-	8.92
Increase/(decrease) in working capital borrowings	1,181.44	1,751.62
Finance cost	(691.94)	(288.97)
<b>Net cash flows from/ (used in) financing activities</b>	<b>(C) 541.16</b>	<b>6,432.28</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C) 1,111.29</b>	<b>(1,138.58)</b>
Cash and cash equivalents at the beginning of the year	390.83	1,529.41
<b>Cash and cash equivalents at year end</b>	<b>1,502.12</b>	<b>390.83</b>
<b>Cash and cash equivalents</b>		
Cash on hand	0.13	0.79
Balances with banks in current account	1,502.00	390.04
<b>Total</b>	<b>1,502.12</b>	<b>390.83</b>

Hyderabad  
23-05-2025



*Mr. N. d. g.*  
**Badari Narayana Raju Manthana**  
**Whole Time Director**  
**DIN: 07993925**



# KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

CIN : L30007TG1991PLC013211  
Tel : +91 8414-667600  
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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/Q4/24-25/023

23<sup>rd</sup> May 2025

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

**BSE Scrip Code: 532686**

**NSE Symbol: KERNEX**

Sir / Madam,

Sub: Declaration Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for Unmodified Opinion.

## DECLARATION FOR UNMODIFIED OPINION

I, M. B Narayana Raju, Whole Time Director of M/s. Kernex Microsystems (India) Limited having its Registered office at Plot No.38-41, Hardware Park, TSIIC Layout Survey no.1/1. Kancha Imarat, Raviryal (Village), Maheswaram Mandal, Ranga Reddy (Dist.) Hyderabad - 501 510, hereby declare that, the Statutory Auditors of the company M/s. NSVR & Co., LLP, Chartered Accountants, represented by its Partner Mr. V Gangadhar Rao N, holding Membership No. 219486, have issued an Audit Report with Unmodified Opinion on Audited Consolidated Financial Results for the Quarter and Year Ended 31<sup>st</sup> March, 2025.

This Declaration is issued in compliance of Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015 as amended vide its circular no CIR/CFD/CMD/56/2016 dated 27 May, 2016.

Yours faithfully

For **KERNEX MICROSYSTEMS (INDIA) LIMITED**

*M. B. Narayana Raju*  
**M B NARAYANA RAJU**  
**DIRECTOR**  
**DIN No.07993925**



**Independent Auditor's Report on the Quarterly and Year to Date Audited Consolidated Financial Results of Kernex Microsystems (India) Limited ("the Company") pursuant to the requirements of Regulations 33 and 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended**

To  
The Board of Directors of  
**Kernex Microsystems (India) Limited**

**Report on the audit of the Consolidated Financial Results**

**Opinion**

We have audited the Consolidated Financial Results for the year ended 31<sup>st</sup> March, 2025 included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year ended 31<sup>st</sup> March, 2025 (refer 'Other Matters' section below) of Kernex Microsystems (India) Limited ("the holding company"), which includes joint operations and its subsidiaries (the holding and its subsidiaries together referred to as "the Group"), attached herewith, being submitted by the holding Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. Includes the results of the following entities;
  - **Holding Company** - Kernex Microsystems (India) Limited.
  - **Wholly Owned Subsidiary** - Avant Garde Infosystems Inc. USA (*Unaudited*)
  - **Controlled entity (Subsidiary)** - Kernex TCAS JV (*Audited*)
  - **Joint Operation** - VRRC KERNEX CE RVR JV (*Audited*)
- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in india, of the consolidated net loss / profit and other comprehensive income / loss and other financial information of the group for the quarter ended March 31, 2025 and for the year ended March 31, 2025.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion.



**Emphasis of Matter**

We draw your attention to the Note 3 to the Statement of Consolidated 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 Rs. 422.10 Lakhs (PY 418.34 Lakhs) and respective Expected Credit Loss (ECL) provision for the CY Rs. 211.67 Lakhs (PY Rs.183.58 Lakhs). The said receivable is outstanding for more than 3 years.
- b. Margin money deposits with banks of Rs. 1,905.12 Lakhs (PY 1,513.31 Lakhs) provided for customer guarantees of Rs. 3,521.18 Lakhs (PY 2,161.71Lakhs) and 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 amounts may vary for the reasons mentioned therein.

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

**Management's Responsibilities for the Consolidated Financial Results**

The statement has been prepared on the basis of the Consolidated Annual Financial Statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss / profit and other comprehensive income / loss of the Group and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 if the Listing Regulations. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and are also responsible for overseeing financial reporting process of their respective companies.



**Auditor's Responsibilities for the Audit of the Consolidated Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial Results / Financial Information of the entities within the Group and its associate of which we are the independent auditors to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the statement of which we are the independent auditors.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Holding Company and such other entities included in the statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

We also performed procedures in accordance with the Master circular issued by the Securities Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

**Other Matter**

1. We did not audit the financial statements / financial information / financial results of KERNEX TCAS JV (Controlled entity (Subsidiary)) whose financial statements / financial information / financial results reflect total revenues of Rs. 373.66 lakhs and total net loss after tax of Rs. 94.05 Lakhs and total comprehensive loss of Rs. 94.05 Lakhs for the year ended March, 31 2025, total revenues Rs. 325.18 lakhs and total net loss after tax of Rs. 27.78 Lakhs and total comprehensive loss of Rs. 27.78 Lakhs for the quarter ended March, 31 2025 as considered in the consolidated audited financial results. These financial statements / financial information / financial results have been audited 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.

2. We did not audit the financial statements / financial information / financial results of **VRRK KERNEX CE RVRJV (Joint Operation)** whose financial statements / financial information / financial results reflect total revenues of Rs.4,199.71 lakhs and total net loss after tax of Rs. 1.07 Lakhs and total comprehensive loss of Rs. 1.07 Lakhs for the year ended March, 31 2025, as considered in the consolidated financial results. These financial statements / financial information / financial results have been audited 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.



**CHARTERED ACCOUNTANTS**

3. The Consolidated financial results include the unaudited standalone financial statements/ financial results/financial information of **Avant-Garde Infosystems Inc (wholly owned subsidiary)**, whose financial results reflect total revenues of Rs. 340.83 Lakhs, total net profit after tax of Rs. 19.31 Lakhs and total comprehensive income of Rs. 18.14 lakhs for the year ended March 31,2025, total revenues Rs. 224.25 lakhs and total net profit after tax of Rs. 41.97 Lakhs and total comprehensive income of Rs. 43.19 Lakhs for the Quarter ending March 31,2025 considered in the consolidated audited 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 modified in respect of the matters.

The Statement includes the results for the quarter ended March 31, 2025 being the balancing figure between the audited figures in respect of the full financial year ended March 31,2025 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 opinion is not qualified in respect of this matter.

**For NSVR & Associates LLP**

Chartered Accountants

ICAI Firm's Registration No. 008801S/S200060

*V. Gangadhar Rao N*



**V. Gangadhar Rao N**

Partner

Membership No. 219486

**UDIN:** 25219486BMIRXP4894

**Place:** Hyderabad

**Date:** 23-05-2025

Statement of Standalone Audited Financial Results for the Quarter and Year Ended 31st March 2025.

(₹ in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31st March 2025 Audited	31st December 2024 Unaudited	31st March 2024 Audited	31st March 2025 Audited	31st March 2024 Audited
<b>Income</b>					
I. Revenue from operations	8,301.68	3,679.77	894.01	18,965.11	1,929.83
II. Other income	73.74	50.13	28.13	218.02	201.66
<b>III. Total Income (I+II)</b>	<b>8,375.42</b>	<b>3,729.91</b>	<b>922.13</b>	<b>19,183.12</b>	<b>2,131.49</b>
<b>IV. Expenses:</b>					
(a) Cost of raw materials consumed	2,775.42	2,119.12	1,490.26	9,450.49	5,012.55
(b) Changes in inventories of finished goods, work-in-progress and stock in trade	1,996.24	(672.72)	(170.72)	433.63	(3,754.99)
(c) Project execution expenses	522.34	903.69	175.85	2,247.01	591.80
(d) Employee benefits expenses	636.21	497.39	351.42	1,842.31	1,205.13
(e) Finance cost	158.29	120.96	46.67	677.01	274.56
(f) Depreciation and amortization expense	92.92	61.99	53.39	282.78	234.04
(g) Other expenses	862.75	53.11	504.60	1,323.63	970.36
(h) Amount transferred to capital expenditure	(186.76)	(61.66)	(287.15)	(411.16)	(352.77)
<b>Total Expenses(IV)</b>	<b>6,857.41</b>	<b>3,021.89</b>	<b>2,164.32</b>	<b>15,845.69</b>	<b>4,180.70</b>
<b>V.Profit/(loss) before exceptional items and tax from continuing operations (III- IV)</b>	<b>1,518.01</b>	<b>708.02</b>	<b>(1,242.19)</b>	<b>3,337.43</b>	<b>(2,049.21)</b>
<b>VI. Exceptional Items</b>	-	-	-	-	-
<b>VII.Profit/(Loss) before tax from continuing operations (V-VI)</b>	<b>1,518.01</b>	<b>708.02</b>	<b>(1,242.19)</b>	<b>3,337.43</b>	<b>(2,049.21)</b>
<b>VIII.Tax expense:</b>					
(a) Current tax	-	-	-	-	-
(b) Deferred tax	(1,732.92)	(6.36)	(64.73)	(1,754.28)	(8.69)
<b>Total Tax Expense/Credit(net)</b>	<b>(1,732.92)</b>	<b>(6.36)</b>	<b>(64.73)</b>	<b>(1,754.28)</b>	<b>(8.69)</b>
<b>IX.Profit/(Loss) for the year from continuing operations</b>	<b>3,250.93</b>	<b>714.37</b>	<b>(1,177.46)</b>	<b>5,091.71</b>	<b>(2,040.52)</b>
<b>X.Profit/(loss) for the period (IX)</b>	<b>3,250.93</b>	<b>714.37</b>	<b>(1,177.46)</b>	<b>5,091.71</b>	<b>(2,040.52)</b>
<b>XI.Other comprehensive income/(loss)</b>	<b>(20.15)</b>	-	<b>0.61</b>	<b>(20.15)</b>	<b>0.61</b>
<b>A. Items that will not be reclassified to Statement of Profit and loss</b>					
i. Remeasurement gains/(losses) of the defined benefit plans	(26.93)	-	0.81	(26.93)	0.81
ii. Income tax effect on the above	6.78	-	(0.20)	6.78	(0.20)
<b>B. Items that will be reclassified to Statement of Profit or loss</b>					
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	-	-	-	-	-
<b>XII.Total comprehensive Income for the period (XIII+XIV) (Comprising Profit/(Loss) and Other Comprehensive Income for the period)</b>	<b>3,230.78</b>	<b>714.37</b>	<b>(1,176.85)</b>	<b>5,071.56</b>	<b>(2,039.92)</b>
<b>XIII.Paid-up equity share capital (Equity Shares of face value ₹10 Each)</b>	<b>1,675.94</b>	<b>1,675.94</b>	<b>1,675.94</b>	<b>1,675.94</b>	<b>1,675.94</b>
<b>XIV.Other equity excluding revaluation reserves</b>	-	-	-	<b>15,700.90</b>	<b>10,505.45</b>
<b>XV.Earnings per equity share (EPS)</b>					
1. Basic EPS - Face Value of Rs.10/- each ₹	19.398	4.260	(7.030)	30.381	(12.830)
2. Diluted EPS - Face Value of Rs.10/- each ₹	19.349	4.260	(7.030)	30.353	(12.830)
	<i>Not Annualised</i>	<i>Not Annualised</i>	<i>Not Annualised</i>	<i>Annualised</i>	<i>Annualised</i>

**Notes to the Standalone Audited Financial Results for the quarter and year ended March 31, 2025**

- 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 May 23, 2025.
  - 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, Maheshwaram 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.
  - The Statutory Auditors have qualified their report with respect to non-recognition of impairment loss aggregating to ₹1,584.25 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 complete erosion of its net worth.
    - Investment and advances provided to Kernex TCAS JV:**  
The company has invested Rs.8.00 Lakhs as capital contribution and also given advance of Rs.575.89 Lakhs, against this net assets available as on the reporting date in Kernex TCAS JV is Rs. 275.61 Lakhs only. Therefore a provision for diminishing amounting to Rs.308.28 Lakhs in the said investment and advances is required to be provided in the books of the company.  
**Management's Response:**  
The management is of the view that AGI functions as a strategic cost centre 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 2024-25. 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.  
Regarding the Kernex TCAS JV, the management believes that the reported losses are temporary and attributable to project execution cycles. The ongoing projects under the JV are expected to generate sufficient future economic benefits and recover the invested amounts. Accordingly, no provision for impairment has been considered necessary at this stage.
  - 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:
    - Trade Receivables:**  
Trade receivables amounting to Rs. 422.10 lakhs (Previous Year: Rs.418.34 lakhs) and respective Expected Credit Loss (ECL) provision for the Current Year Rs. 211.67 Lakhs (Previous Year Rs.183.58 Lakhs).
    - Margin Money Deposits:**  
Margin money deposits with banks aggregating ₹1,905.12 lakhs (Previous Year: ₹1,513.31 lakhs) are held as security against performance guarantees amounting to ₹3,521.18 lakhs (Previous Year: ₹2,161.71 lakhs) provided to customers, which are currently under arbitration/negotiation. Management expects no loss on realization of these deposits.
5. The figures for the corresponding previous periods have been regrouped/ reclassified wherever necessary, to make them comparable.
6. The figures for quarter ended March 31, 2025 are balancing figures between the audited figures of the full financial year and the limited reviewed year-to-date figures upto the third quarter of the financial year.
7. Deferred Tax is recognised as per Ind AS 12 on the tax bases available to the company.
8. The above Financial Results for the quarter and year ended March 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.



**Kernex Microsystems (India) Limited**  
**CIN:L30007TG1991PLC013211**  
 TECHNOPSIS, Plot Nos: 38-41,Hardware Technology Park TSIIC Layout,  
 RAVIRYAL Maheshwaram, Ranga Reddy,Hyderabad - 501510. TS India.

**Statement of Standalone Assets and Liabilities as at March 31, 2025**

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2025	31 March 2024
<b>ASSETS</b>		
<b>1 Non-current assets</b>		
a) Property plant and Equipment	2,498.63	2,368.15
b) Intangible assets	0.28	0.84
c) Intangible assets under development	702.96	231.39
d) Financial assets		
(i) Investments	1,283.97	1,283.97
(ii) Loans	575.89	489.70
(iii) Other financial assets	20.77	50.71
e) Deferred tax assets (net)	1,768.66	-
	<b>6,851.16</b>	<b>4,424.76</b>
<b>2 Current assets</b>		
a) Inventories	5,179.82	7,169.56
b) Contract assets	2,975.50	-
b) Financial assets		
(i) Trade receivables	1,900.79	532.46
(ii) Cash and cash equivalents	1,469.93	384.80
(iii) Bank balances other than (ii) above	1,905.12	1,513.31
(iv) Other financial assets	815.04	24.27
c) Income Tax Assets (net)	521.66	413.71
d) Other current assets	2,902.50	2,824.35
	<b>17,670.35</b>	<b>12,862.47</b>
<b>Total assets</b>	<b>24,521.51</b>	<b>17,287.22</b>
<b>EQUITY AND LIABILITIES</b>		
<b>1 Equity</b>		
a) Equity Share Capital	1,675.94	1,675.94
b) Other Equity	15,700.90	10,505.45
<b>Total equity</b>	<b>17,376.84</b>	<b>12,181.39</b>
<b>2 Non-current liabilities</b>		
a) Financial Liabilities		
i) Borrowings	27.78	18.52
b) Deferred Tax Liability	-	114.96
c) Provisions	423.03	13.16
	<b>450.81</b>	<b>146.65</b>
<b>3 Current liabilities</b>		
a) Contract liabilities	16.50	-
b) Financial Liabilities		
(i) Borrowings	3,962.60	2,405.78
(ii) Trade Payables		
a) total outstanding dues of micro enterprises and small enterprises	50.23	67.85
b) total outstanding dues of creditors other than micro enterprises and small enterprises	1,514.22	1,910.80
(iii) Other financial liabilities	510.30	12.96
c) Other current liabilities	619.88	557.62
d) Provisions	20.13	4.18
	<b>6,693.86</b>	<b>4,959.18</b>
<b>Total liabilities</b>	<b>7,144.67</b>	<b>5,105.83</b>
<b>Total equity and liabilities</b>	<b>24,521.51</b>	<b>17,287.22</b>

Hyderabad  
 23-05-2025



*Badari Narayana Raju Manthana*  
 Badari Narayana Raju Manthana  
 Whole Time Director  
 DIN: 07993925

**Kernex Microsystems (India) Limited**

CIN:L30007TG1991PLC013211

TECHNOPOLIS, Plot Nos: 38-41, Hardware Technology Park TSIIC Layout,  
RAVIRYAL Maheshwaram, Ranga Reddy, Hyderabad - 501510. TS India.**Standalone Statement of Cash Flows for the year ended March 31,2025**

(₹ in Lakhs)

	Notes	March 31,2025	March 31,2024
<b>A Cash flows from operating activities</b>			
Profit before tax from continuing operations		3,337.43	(2,049.21)
<b>Profit before tax</b>		<b>3,337.43</b>	<b>(2,049.21)</b>
<i>Adjustments to reconcile profit before tax to net cash flows :</i>			
Depreciation and amortisation expenses		282.78	234.04
Share-based payment expense		126.57	-
Net foreign exchange differences (unrealised)		10.97	87.06
Loss disposal of property, plant and equipment		0.16	(1.90)
Interest income		(88.06)	(71.64)
Finance costs		677.01	274.56
Sundry balances written off		2.44	18.43
Provision for doubtful debts (Lifetime expected credit loss)		70.10	276.15
Provision for obsolete stock/ Others		100.07	8.99
Provision for warranties		407.55	-
<b>Operating Profit/(Loss) before working capital changes</b>		<b>4,927.01</b>	<b>(1,223.52)</b>
<i>Working capital adjustments:</i>			
(Increase)/decrease in Loans & Advances		(86.19)	(92.97)
(Increase)/decrease in other financial assets		(771.80)	(51.55)
(Increase)/decrease in inventories		1,889.68	(5,772.88)
(Increase)/decrease in Contract assets		(2,975.50)	-
(Increase)/decrease in trade receivables		(1,443.54)	(2.49)
(Increase)/decrease in margin money towards bank guarantees with bank		(391.81)	189.04
(Increase)/decrease in Current Tax Assets (net)		(230.52)	(135.87)
(Increase)/decrease in other current assets		(78.15)	(1,478.04)
Increase/(decrease) in provisions		(8.65)	(16.83)
Increase/(decrease) in Contract liabilities		16.50	-
Increase/(decrease) in trade payables		(414.19)	1,575.06
Increase/(decrease) in Other financial liabilities		497.33	71.67
Increase/(decrease) in other current liabilities		62.26	(75.47)
Interest received		88.06	71.64
<b>Cash generated from operations</b>		<b>1,080.50</b>	<b>(6,942.23)</b>
Income tax paid		-	-
<b>Net cash flows from operating activities (A)</b>		<b>1,080.50</b>	<b>(6,942.23)</b>
<b>B Cash flows from Investing activities</b>			
Purchase of Property Plant and Equipment & Intangible		(413.12)	(249.95)
Sale proceeds of Property Plant and Equipment & Intangible		0.25	22.13
Increase in Intangible Assets Under Development		(471.57)	(231.39)
<b>Net cash flows used in investing activities (B)</b>		<b>(884.44)</b>	<b>(459.21)</b>
<b>C Cash flows from Financing activities</b>			
Proceeds from issuance of equity share capital		-	130.00
securities premium		-	4,862.25
Proceeds from borrowings		1.07	(13.74)
Repayment of borrowings		15.29	(17.79)
Inter corporate deposit (ICD) including conversion to Equity		-	(0.68)
Increase/(decrease) in working capital borrowings		1,549.71	1,589.52
Finance cost		(677.01)	(274.56)
<b>Net cash flows from/ (used in) financing activities (C)</b>		<b>889.07</b>	<b>6,275.00</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>1,085.13</b>	<b>(1,126.46)</b>
Cash and cash equivalents at the beginning of the year		384.80	1,511.26
<b>Cash and cash equivalents at year end</b>		<b>1,469.93</b>	<b>384.80</b>
<b>Cash and cash equivalents</b>			
Cash on hand		0.11	0.77
Balances with banks in current account		1,469.82	384.03
<b>Total</b>		<b>1,469.93</b>	<b>384.80</b>

Hyderabad  
23-05-2025

*Badari Narayana Raju Manthana*  
Badari Narayana Raju Manthana  
Whole Time Director  
DIN: 07993925

*Badari Narayana Raju Manthana*

Rs. 575.89 lakhs (Including interest amount) as on 31<sup>st</sup> March 2025. Accordingly in our opinion the same investments and the advance are subject to impairment in standalone financial statements to the extent of Rs 308.28 lakhs.

Since the Company has not impaired the cost of investments in the equity of subsidiary and the advance granted to KERNEX TCAS JV to an extent of Rs. 1,584.25 lakhs (Rs. 1,275.97 lakhs on account of diminution in the value of the investment in equity of the wholly owned subsidiary & Rs. 308.28 lakhs on account of insufficient funds available in KERNEX TCAS JV), the profit and other Comprehensive Income for the year ended and quarter ended are overstated by the said amount. The Other Equity in the balance sheet for the year ended is overstated by Rs.1,584.25 lakhs.

**b. Type of Audit Qualification:** Qualified Opinion

**c. Frequency of qualification:**

i) Included in the audit report for the quarter and year ended 31<sup>st</sup> March 2025.

**d. For Audit Qualification(s) where the impact is quantified by the Auditor, Management's views:**

1.The management is of the view that AGI functions as a strategic cost centre 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 2024-25. 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 respective of impairment under Ind AS 36 is required to be provided.

2.Regarding the Kernex TCAS JV, the management believes that the reported losses are temporary and attributable to project execution cycles. The ongoing projects under the JV are expected to generate sufficient future economic benefits and recover the invested amounts. Accordingly, no provision for impairment has been considered necessary at this stage.

**e. For Audit Qualification(s) where the impact is not quantified by the Auditor:**

i) Management's estimation on the impact of audit qualification: Not Applicable

ii) If Management is unable to estimate the impact, reasons for the same: Not Applicable




iii) Auditors' Comments on (i) or (ii) above: Not Applicable

**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)**

<b>I</b>	<b>S No</b>	<b>Particulars</b>	<b>Audited Figures (as reported before adjusting for qualifications)</b>	<b>Audited Figures (as reported after adjusting for qualifications)</b>
	1	Turnover/Total Income	19,183.12	19,183.12
	2	Total Expenditure	15,845.69	17,429.94
	3	Net Profit/(Loss)	<b>5,091.71</b>	3507.46
	4	Earnings Per Share	30.381	20.928
	5	Total Assets	24,521.51	22,937.26
	6	Total Liabilities	7,144.67	7,144.67
	7	Net Worth	17,376.84	15,792.59
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
<b>II</b>	<b><u>a. Audit Qualification (each audit qualification separately):</u></b>			
	<b>In the statement of Audited Standalone Financial results is as follows.</b>			
	<p>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.</p> <p>b. As per the latest unaudited financials of the subsidiary available as on 31<sup>st</sup> March 2025, the accumulated loss of the company for the period ended 31<sup>st</sup> March 2025 is USD 1.894 million (the equivalent Indian Rupees being Rs. 1,617.84 lakhs as per prevailing exchange rate), Which is exceeding the cost of investment made USD 1.822 million (1,275.97 lakhs (at Cost)). As a result, the carrying amount of the investment in the equity of subsidiary in the books of account of the Company amounting to Rs. 1,275.97 lakhs (at Cost) stands 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 &amp; Loss Account.</p> <p>c. The Company besides making an investment of Rs. 8.00 lakhs in KERNEX TCAS JV - a controlled entity(subsidiary) formed to execute a railway safety project, in which the Company has 80% share in the profits and losses. The Company has also provided the long-term advance of Rs. 575.89 lakhs (Including interest amount). As per the latest audited financials of KERNEX TCAS JV as on 31<sup>st</sup> March 2025, the JV has total assets of Rs 718.55 lakhs and outside liabilities (other than the advance due to the company) is Rs. 442.94 lakhs. Thus, the net assets available amounting to Rs 275.61 lakhs are not sufficient to recover the advance given to KERNEX TCAS JV which is</p>			

III	<b>Signatories:</b>
	<p><b>Badari Narayana Raju Manthena</b> Whole Time Director</p> <p><i>M. N. d. y. - 1</i></p> 
	<p><b>Pamidi Srikanth</b> Chief Finance Officer</p> <p><i>Pamidi Srikanth</i></p> 
	<p><b>A Viswanadha Sarma</b> Audit Committee Chairman</p> <p><i>A V Sarma</i> <i>23/5/25</i></p>
	<p><b>V Gangadhara Rao N</b> Statutory Auditor M. No: 219486 Partner NSVR &amp; Associates LLP., Chartered Accountants.</p> <p><i>V. Gangadhara Rao N</i></p> 
	<b>Place:</b> Hyderabad
	<b>Date:</b> 23-May-2025

**Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of Kernex Microsystems (India) Limited ("the Company") pursuant to the requirements of Regulations 33 and 52 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended**

To  
The Board of Directors of  
**Kernex Microsystems (India) Limited.**

**Report on the audit of the Standalone Financial Results**

**Qualified Opinion**

We have audited the accompanying statement of quarterly and year to date Standalone Financial Results of **Kernex Microsystems (India) Limited** (the "Company") for the quarter ended March 31<sup>st</sup>, 2025 and for the year ended March 31<sup>st</sup>, 2025 ("Statement") 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").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. **except for the effects of the matter described in the basis for qualified opinion paragraph as below**, gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India of the net profit / loss and other comprehensive income / loss and other financial information for the quarter ended March 31, 2025 and for the year ended March 31, 2025.

**Basis for Qualified Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

- 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 31<sup>st</sup> March 2025, the accumulated loss of the company for the period ended 31<sup>st</sup> March 2025 is USD 1.894 million (the equivalent Indian Rupees being Rs. 1,617.84 lakhs as per prevailing exchange rate), Which is exceeding the cost of investment made USD 1.822 million (1,275.97 lakhs (at Cost)). As a result, the carrying amount of the investment in the equity of subsidiary in the books of account of the Company amounting to Rs. 1,275.97 lakhs (at Cost) stands 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.
- c. The Company besides making an investment of Rs. 8.00 lakhs in KERNEX TCAS JV - a controlled entity(subsidiary) formed to execute a railway safety project, in which the Company has 80% share in the profits and losses. The Company has also provided the long-term advance of Rs. 575.89 lakhs (Including interest amount). As per the latest audited financials of KERNEX TCAS JV as on 31<sup>st</sup> March 2025, the JV has total assets of Rs 718.55 lakhs and outside liabilities (other than the advance due to the company) is Rs. 442.94 lakhs. Thus, the net assets available amounting to Rs 275.61 lakhs are not sufficient to recover the advance given to KERNEX TCAS JV which is Rs. 575.89 lakhs (Including interest amount) as on 31<sup>st</sup> March 2025. Accordingly in our opinion the same investments and the advance are subject to impairment in standalone financial statements to the extent of Rs 308.28 lakhs.

Since the Company has not impaired the cost of investments in the equity of subsidiary and the advance granted to KERNEX TCAS JV to an extent of Rs. 1,584.25 lakhs (Rs. 1,275.97 lakhs on account of diminution in the value of the investment in equity of the wholly owned subsidiary & Rs. 308.28 lakhs on account of insufficient funds available in KERNEX TCAS JV), the profit and other Comprehensive Income for the year ended and quarter ended are overstated by the said amount. The Other Equity in the balance sheet for the year ended is overstated by Rs.1,584.25 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 Rs. 422.10 Lakhs (PY 418.34 Lakhs) and respective Expected Credit Loss (ECL) provision for the CY Rs. 211.67 Lakhs (PY Rs.183.58 Lakhs). The said receivable is outstanding for more than 3 years.
- b. Margin money deposits with banks of Rs. 1,905.12 Lakhs (PY 1,513.31 Lakhs) provided for customer guarantees of Rs. 3,521.18 Lakhs (PY 2,161.71Lakhs) and 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 amounts may vary for the reasons mentioned therein.

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



**CHARTERED ACCOUNTANTS****Management's Responsibilities for the Standalone Financial Results**

The statement has been prepared on the basis of the Standalone Annual Financial Statements. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss / profit and other comprehensive income / loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required



**CHARTERED ACCOUNTANTS**

to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

**Other Matters**

The Statement includes the results for the quarter ended March 31, 2025 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2025 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 opinion is not qualified in respect of this matter.

**For NSVR & Associates LLP**

Chartered Accountants

ICAI Firm's Registration No. 008801S/S200060

*V. G. Chow.***V Gangadhar Rao N**

Partner

Membership No. 219486

UDIN: 25219486BMIRXO4001

Place: Hyderabad

Date: 23-05-2025.

