



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

CIN : L30007TG1991PLC013211
Tel : +91 8414-667600
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Registered Office :
"TECHNOPOLIS", Plot Nos : 38-41,
Hardware Technology Park,
TSIIC Layout, Raviryal (V),
Hyderabad – 501 510. Telangana, India.

KMIL/SE/Q4/25-26/028

29th May 2026

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
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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 22nd May 2026, towards meeting of the Board of Directors of the Company, scheduled on 29th May 2026 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 2026 together with statement of Assets and Liabilities as on 31st March 2026 and Cash Flow statement for the financial year ended on 31st March 2026 along with notes there on 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 have approved the appointment of Mrs. Parvathi Manthena (DIN 11537664) as Non-Executive Director of the Company and recommended to the approval of the shareholders. The profile is attached as Annexure -A.





- III. 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 Mrs. Parvathi Manthana (DIN 11537664) has not been debarred from holding the office of Director by virtue of any SEBI order or any other authority.
- IV. Approved the re-appointment of M/s. Thirupathi & Associates as the Cost Auditors of the Company for the F.Y 2026-27. The brief profile is attached as Annexure -B.
- V. Approved the re-appointment of M/s. M P R & Associates, Cost Accountants, as Cost Auditors of the Company for the financial year 2026-27, subject to the ratification of the remuneration by the shareholders at the ensuing Annual General Meeting of the Company. The brief profile is attached as Annexure -C.

The aforesaid Board Meeting commenced at 10:00 A.M. and concluded at 01:20 P.M.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours faithfully,

For **KERNEX MICROSYSTEMS (INDIA) LIMITED**


PRASADA RAO K
COMPANY SECRETARY





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 Mrs. Parvathi Manthena

SL No.	Particulars	Details
1	Name	Mrs. Parvathi Manthena
2	Director Identification Number	11537664
3	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of Mrs. Parvathi Manthena as an Additional Director
4	Date of reappointment and term of reappointment	Appointment as Non-Executive Director on 29 th May 2026, and recommended to the shareholders
5	Brief Profile (in case of appointment)	Mrs. Parvathi Manthena has been associated with the Company as a Promoter for over 20 years and has played a key role in its growth and continuity. She is actively involved in philanthropy, particularly in supporting education and community institutions. Her long association with the Company, commitment and strong stakeholder relationships will add significant value to the Board.
6	Disclosure of relationships between directors (in case of appointment of a director)	Wife of Dr. Anji Raju Manthena Non-Executive Director and Promoter Mother of Mr. Sitarama Raju Manthena, Whole Time Director and Ms. Sreelakshmi Manthena
7	Information as required under Circular No. LIST/COMP/14/2018-19 issued by the BSE Limited and NSE	Mrs. Parvathi Manthena is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.





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, cessation and term of appointment	29 th May 2026 For the financial year 2026-27
4	Brief Profile (in case of appointment)	M/s. Thirupathi & Associates (Firm Regn. No.: 13000S) as statutory and internal audit firm established in 2011, has a rich history that stretches over more than 16 years, and the team is mentored by a senior professional of repute, who has 16 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. To meet the specific requirements of the clients, we strictly adhere to standard Operational & 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.
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





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 Cost Auditors: M/s. M P R & Associates

SL No.	Particulars	Details
1	Name of the Internal Auditors	M/s. M P R & Associates, Cost Accountants
2	Reason for change viz. appointment, resignation, removal, death or otherwise	Appointment of M/s. M P R & Associates as the Cost Auditors of the Company
3	Date of appointment, cessation and term of appointment	29 th May 2026 For the financial year 2026-27
4	Brief Profile (in case of appointment)	M/s. M P R & ASSOCIATES (FRN: 000413), founded in 2012, is a Hyderabad-based firm of Cost Accountants specializing in Costing, Taxation, and Cost Advisory Services. The firm consisting of qualified cost accountants has undertaken many assignments in various industries. The clients list includes leading Companies with multiple locations and diversified product Portfolio. They have expertise in the areas which include: Cost Audit, Product Costing, Cost System Designing and Implementation, Cost of Production Certifications Under CAS-4, Internal Audit, Stock Audits & Valuation, and Certification. Local Content
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



Kernex Microsystems (India) Limited

CIN:L30007TG1991PLC013211

TECHNOPOLIS, Plot Nos: 38-41,Hardware Technology Park TSIIIC Layout,
RAVIRYAL Maheshwaram, Ranga Reddy,Hyderabad - 501510. TS India.**Statement of Audited Consolidated Financial Results for Year Ended/Quarter ended 31st March 2026.**

(₹ in Lakhs)

Particulars	Quarter Ended			Year Ended	
	31st March 2026 Audited	31st December 2025 Unaudited	31st March 2025 Audited	31st March 2026 Audited	31st March 2025 Audited
Income					
I. Revenue from operations	25,457.69	7,259.76	8,306.96	43,022.12	18,977.39
II. Other income	92.05	47.66	62.27	224.66	144.71
III. Total Income (I+II)	25,549.74	7,307.43	8,369.23	43,246.78	19,122.10
IV. Expenses:					
(a) Cost of raw materials consumed	11,582.97	17,984.64	2,748.73	39,476.27	9,424.86
(b) Changes in inventories of finished goods, work-in- progress and stock in trade	(1,499.19)	(15,453.87)	1,996.24	(22,256.70)	433.63
(c) Project execution expenses	2,396.44	1,778.24	421.18	5,378.54	2,036.85
(d) Employee benefits expense	944.17	902.50	652.38	3,243.82	1,905.31
(e) Finance cost	1,178.91	912.26	161.24	2,815.07	691.94
(f) Depreciation and amortization expense	212.95	188.40	92.92	582.22	282.78
(g) Other expenses	1,566.22	459.63	963.18	2,653.56	1,507.29
(h) Amount transferred to capital expenditure	(44.61)	(91.21)	(186.76)	(350.26)	(411.16)
Total Expenses(IV)	16,337.86	6,680.61	6,849.11	31,542.52	15,871.49
V.Profit before exceptional items and tax from continuing operations (III- IV)	9,211.88	626.80	1,520.12	11,704.26	3,250.61
VI. Exceptional Items	-	-	-	-	-
VII.Profit before tax from continuing operations (V-VI)	9,211.88	626.80	1,520.12	11,704.26	3,250.61
VIII.Tax expense:					
(a) Current tax	2,271.38	-	-	2,271.38	-
(b) Adjustment of tax relating to earlier periods	48.42	-	-	48.42	-
(c) Deferred tax	66.99	20.93	(1,732.92)	560.16	(1,754.28)
Total Tax Expense/(Credit) net (a+b+c)	2,386.79	20.93	(1,732.92)	2,879.96	(1,754.28)
IX.Profit for the year from continuing operations (VI-VIII)	6,825.09	605.88	3,253.04	8,824.30	5,004.88
X.Profit/(loss) for the period (IX)	6,825.09	605.88	3,253.04	8,824.30	5,004.88
Profit for the period attributable to:					
a. Equity holders of the company	6,825.58	604.11	3,258.59	8,833.63	5,023.69
b. Non-controlling interests	(0.49)	1.77	(5.55)	(9.33)	(18.81)
XI. Other comprehensive income/(loss)					
A. Items that will not be reclassified to Statement of Profit and loss					
i. Remeasurement gains/(losses) of the defined benefit plans	(86.82)	-	(28.10)	(86.82)	(28.10)
ii. Income tax effect on the above	20.75	-	6.78	20.75	6.78
B. Items that will be reclassified to Statement of Profit or loss					
i. Income tax relating to items that will be reclassified to Statement of Profit or loss	3.56	(0.65)	1.22	-	3.57
Total Other comprehensive income/(loss) (A+B)	(62.51)	(0.65)	(20.10)	(66.07)	(17.76)
XII. Total comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period) (X+XI)	6,762.59	605.23	3,232.94	8,758.24	4,987.13
Profit for the period attributable to:					
a. Equity Shareholders of the company	6,763.08	603.46	3,238.49	8,767.57	5,005.94
b. Non-controlling interests	(0.49)	1.77	(5.55)	(9.33)	(18.81)
XIII. Paid-up equity share capital (Equity Shares of face value ₹10 Each)	1,680.24	1,680.24	1,675.94	1,680.24	1,675.94
XIV. Other equity excluding revaluation reserves	-	-	-	23,131.24	14,115.11
XV. Earnings per equity share (EPS)					
1. Basic EPS - Face Value of ₹ .10/- each -₹	40.69	3.61	19.443	52.71	29.98
2. Diluted EPS - Face Value of ₹ .10/- each -₹	40.69	3.61	19.395	52.67	29.95
	<i>Not Annualised</i>	<i>Not Annualised</i>	<i>Not Annualised</i>	<i>Annualised</i>	<i>Annualised</i>

Sreelaksh Murthy

Notes to the Consolidated Audited Financial Results for the quarter and year ended March 31, 2026

1.The results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 (Amended). These have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on May 29th , 2026.

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

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

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

A. Trade receivables from customers amount to ₹422.73 lakhs (Previous Year: ₹422.10 lakhs), with an Expected Credit Loss (ECL) provision of ₹309.59 lakhs for the current year (Previous Year: ₹211.67 lakhs). These receivables have been outstanding for more than three years.

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

4.As at the reporting date, the Company's aggregate outstanding order book is ₹4150 Crores (Including GST), with CLW being the major order under execution, against which supplies have been completed to the extent of 30% as on date of 29-05-2026.

5.The consolidated financial results of Kernex Microsystems (India) Limited include the results of its Wholly Owned Subsidiary, Avant-Garde Infosystems Inc (USA), its Controlled Entities — Kernex TCAS JV (Kernex's share: 80%) and KERNEX–VRRJ JV (Kernex's share: 80%) — and its Joint Operation, VRRJ KERNEX CE RVR JV (Kernex's share: 35%) and KERNEX-BHEPL JV(Kernex's Share:51%) , consolidated in accordance with Ind AS 110 and Ind AS 111 respectively

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

The Company is already in compliance with the basic wages criteria as prescribed under New Labour Codes for own employees and there is no material impact on the company.

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

8.The Company has recognised a provision for warranty obligations amounting to ₹1,376.60 Lakhs (Previous Year: ₹407.55 Lakhs) under Other Expenses.The provision represents Management's best estimate required to settle warranty obligations arising from contracts executed during the year, based on contractual warranty terms.

9.The figures for quarter ended March 31, 2026 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.

10.The above Financial Results for the quarter and year ended March 31, 2026, are available on the company's website and stock exchanges websites BSE (www.bseindia.com) and NSE (www.nseindia.com),in compliance with SEBI LODR Regulations.

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



Sreelakshmi Manthena

Managing Director

DIN: 07996443.

**Singapore
29 Th May 2026**

Kernex Microsystems (India) Limited
CIN:L30007TG1991PLC013211

TECHNOPOLIS, Plot Nos: 38-41, Hardware Technology Park TSIIIC Layout,
RAVIRYAL Maheshwaram, Ranga Reddy, Hyderabad - 501510. TS India.

Statement of Audited Consolidated Assets and Liabilities as at March 31, 2026

(₹ in Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
ASSETS		
1 Non-current assets		
a) Property plant and Equipment	2,718.13	2,498.63
b) Intangible assets	658.45	0.28
c) Intangible assets under development	0.00	702.96
d) Financial assets		
(i) Other financial assets	1,645.61	1,151.73
e) Deferred tax assets (net)	1,229.24	1,768.66
	6,251.43	6,122.26
2 Current assets		
a) Inventories	37,132.06	5,258.37
b) Contract assets	6,828.32	2,975.50
b) Financial assets		
(i) Trade receivables	31,626.15	2,364.92
(ii) Cash and cash equivalents	145.91	1,502.12
(iii) Bank balances other than (ii) above	2,554.31	1,930.59
(iv) Other financial assets	286.52	816.14
c) Income Tax Assets (net)	512.28	521.66
d) Other current assets	6,576.55	2,153.52
	85,662.09	17,522.82
Total assets	91,913.52	23,645.08
EQUITY AND LIABILITIES		
1 Equity		
a) Equity Share Capital	1,680.24	1,675.94
b) Other Equity	23,131.24	14,115.11
Total equity attributable to equity holders of holding company	24,811.48	15,791.05
Non-controlling interests	(69.18)	(60.06)
Total equity	24,742.30	15,730.99
2 Non-current liabilities		
a) Financial Liabilities		
i) Borrowings	38.76	47.78
b) Provisions	1,890.00	423.03
	1,928.76	470.81
3 Current liabilities		
a) Contract liabilities	-	16.50
b) Financial Liabilities		
(i) Borrowings	16,172.36	3,984.49
(ii) Trade Payables		
a) total outstanding dues of micro enterprises and small	1,115.41	50.23
b) total outstanding dues of creditors other than micro enterprises		
and small enterprises	43,140.74	1,999.76
(iii) Other financial liabilities	2,391.60	1,127.35
c) Other current liabilities	358.88	244.82
d) Provisions	110.07	20.13
e) Current tax liabilities	1,953.39	-
	65,242.46	7,443.28
Total liabilities	67,171.22	7,914.09
Total equity and liabilities	91,913.52	23,645.08

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


Sreelakshmi Manthena
Managing Director
DIN: 07996443.

Singapore
29 Th May 2026

Audited Consolidated Statement of Cash Flows for the year ended March 31,2026

(₹ in Lakhs)

		For the year ended March 31,2026	For the year ended March 31,2025
A	Cash flows from operating activities		
	Profit before tax from continuing operations	11,704.26	3,250.61
	Profit before tax	11,704.26	3,250.61
	<i>Adjustments to reconcile profit before tax to net cash flows :</i>		
	Depreciation and amortisation expenses	582.22	282.78
	Share-based payment expense	247.17	126.57
	Net foreign exchange differences (unrealised)	(9.42)	(10.97)
	Loss on disposal of property, plant and equipment	-	0.16
	Interest Income	(191.09)	(117.18)
	Finance costs	2,815.07	691.94
	Sundry balances written off	-	2.44
	Provision for doubtful debts (Lifetime expected credit loss)	180.69	78.63
	Loss on written down of inventory to net realizable value	374.42	100.07
	Provision for warranties	1,376.60	407.55
	Operating Profit/(Loss) before working capital changes	17,079.92	4,812.58
	<i>Working capital adjustments:</i>		
	(Increase)/decrease in other financial assets	35.74	(750.78)
	(Increase)/decrease in inventories	(32,248.11)	1,811.13
	(Increase)/decrease in Contract assets	(3,852.82)	(2,975.50)
	(Increase)/decrease in trade receivables	(30,818.52)	(1,945.51)
	(Increase)/decrease in margin money towards bank guarantees with bank	(623.72)	(398.25)
	(Increase)/decrease in Income Tax Assets (net)	9.38	(230.34)
	(Increase)/decrease in other current assets	(4,423.03)	(98.07)
	Increase/(decrease) in provisions	1,474.46	(6.26)
	Increase/(decrease) in Contract liabilities	(16.50)	16.50
	Increase/(decrease) in trade payables	42,206.16	423.66
	Increase/(decrease) in Other financial liabilities	1,264.26	497.33
	Increase/(decrease) in other current liabilities	114.07	180.89
	Interest income	191.09	117.18
	Cash generated from operations	(9,607.63)	1,454.56
	Income tax paid	(366.40)	-
	Net cash (used in)/from operating activities (A)	(9,974.03)	1,454.56
B	Cash flows from Investing activities		
	Purchase of Property Plant and Equipment & Intangible assets	(1,459.88)	(413.12)
	Sale proceeds of Property Plant and Equipment & Intangible assets	-	0.25
	(Increase)/ Decrease in Intangible Assets Under Development	702.96	(471.57)
	Net cash (used in) investing activities (B)	(756.92)	(884.44)
C	Cash flows from Financing activities		
	Proceeds from issuance of equity share capital on exercise of employee stock option securities premium	4.30	-
	Proceeds from Non-Controlling Interest	6.45	-
	Proceeds from borrowings from directors and Others	0.20	-
	Repayment of Term loan and other borrowings	(131.92)	36.36
	Proceeds from Inter corporate deposit (ICD)	22.40	15.29
	Increase in utilisation of working capital borrowings from banks	1,465.47	-
	Finance cost	10,822.91	1,181.44
		(2,815.07)	(691.94)
	Net cash from financing activities (C)	9,374.74	541.16
	Net (Decrease)/increase in cash and cash equivalents (A+B+C)	(1,356.21)	1,111.28
	Cash and cash equivalents at the beginning of the period	1,502.12	390.83
	Cash and cash equivalents at the end of the period	145.91	1,502.11
	Cash and cash equivalents		
	Cash on hand	0.33	0.13
	Balances with banks in current account	145.58	1,502.00
	Total	145.91	1,502.12

Note: Statement of Cashflows has been prepared under the Indirect method as setout in the Indian Accounting Standard (IND AS) -7 "Statement of Cashflows" as specified in the Companies(Indian Accounting Standards) Rules, 2015.

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



Sreelakshmi Manthena
Managing Director

DIN: 07996443.

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. 422.73 Lakhs (PY 422.10 Lakhs) and respective Expected Credit Loss (ECL) provision for the CY Rs. 309.59 Lakhs (PY Rs.211.67 Lakhs). The said receivable is outstanding for more than three years.
- b. Bank guarantees amounting to Rs. 265.03 lakhs given to one of the customers are currently under arbitration / conciliation proceedings.

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

Our conclusion on the statement is not 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.

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. 223.76 lakhs and total net loss after tax of Rs. 45.26 Lakhs and total comprehensive loss of Rs. 45.26 Lakhs for the year ended March, 31 2026, total revenues Nil and total net loss after tax of Rs. 1.06 Lakhs and total comprehensive loss of Rs. 1.06 Lakhs for the quarter ended March, 31 2026 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 **VRRC KERNEX CE RVR JV (Joint Operation)** whose financial statements / financial information / financial results reflect total revenues of Rs.3,210.15lakhs and total net loss after tax of Rs. 1.38 Lakhs and total comprehensive loss of Rs. 1.38 Lakhs for the year ended March, 31 2026, 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.

3. We did not audit the financial statements / financial information / financial results of **KERNEX VRRC JV (Controlled entity (Subsidiary))** whose financial statements / financial information / financial results reflect total revenues of Rs.61.41 lakhs and total net loss after tax of Rs. 1.38 Lakhs and total comprehensive loss of Rs. 1.38 Lakhs for the year ended March, 31 2026, 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

4. 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. 429.98 Lakhs, total net profit after tax of Rs. 44.50 Lakhs and total comprehensive income of Rs. 40.13 lakhs for the year ended March 31,2026, total revenues Nil and total net loss after tax of Rs. 0.28 Lakhs and total comprehensive loss of Rs. 2.38 Lakhs for the Quarter ending March 31,2026 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, 2026 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2026 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.



V. Gangadhar Reddy
Partner
Membership No. 219486
UDIN: 26219486FTJCCP7041

Place: Hyderabad
Date: 29-05-2026



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

Registered Office :

"TECHNOPOLIS", Plot Nos : 38-41,
Hardware Technology Park,
TSIIC Layout, Raviryal (V),
Hyderabad – 501 510. Telangana, India.

CIN : L30007TG1991PLC013211
Tel : +91 8414-667600
Fax : +91 8414-667695
email : kernex@kernex.in
Website : www.kernex.in



KMIL/SE/Q4/25-26/030

29th May 2026

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, Sreelakshmi Manthena, Managing 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 31st March, 2026.

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**

Sreelakshmi Manthena

SREELAKSHMI MANTHENA
MANAGING DIRECTOR
DIN: 07996443



KERNEX MICROSYSTEMS (INDIA) LIMITED**CIN:L30007TG1991PLC013211**Technopolis, Plot Nos: 38-41, Hardware Technology Park TSIIIC Layout,
Raviryal Maheshwaram, Ranga Reddy, Hyderabad Telangana, India- 501510.**Statement of Standalone Audited Financial Results** for the Quarter and Year Ended 31st March 2026.**(₹ in Lakhs)**

Particulars	Quarter Ended			Year Ended	
	31st March 2026 Audited	31st December 2025 Unaudited	31st March 2025 Audited	31st March 2026 Audited	31st March 2025 Audited
Income					
I. Revenue from operations	25,457.70	7,248.57	8,301.68	42,580.96	18,965.11
II. Other income	91.92	47.22	73.74	276.56	218.02
III. Total Income (I+II)	25,549.62	7,295.79	8,375.42	42,857.52	19,183.12
IV. Expenses:					
(a) Cost of raw materials consumed	11,585.61	17,982.00	2,775.42	39,134.81	9,450.49
(b) Changes in inventories of finished goods, work-in-progress and stock in trade	(1,499.19)	(15,453.88)	1,996.24	(22,256.70)	433.63
(c) Project execution expenses	2,393.80	1,778.24	522.34	5,375.90	2,247.01
(d) Employee benefits expense	944.18	902.49	636.21	3,235.09	1,842.31
(e) Finance cost	1,178.49	912.25	158.29	2,814.22	677.01
(f) Depreciation and amortization expense	212.95	188.40	92.92	582.22	282.78
(g) Other expenses	1,935.37	437.15	862.75	3,379.76	1,323.63
(h) Amount transferred to capital expenditure	(44.61)	(91.21)	(186.76)	(350.26)	(411.16)
Total Expenses(IV)	16,706.60	6,655.45	6,857.41	31,915.04	15,845.69
V. Profit before exceptional items and tax from continuing operations (III- IV)	8,843.01	640.34	1,518.01	10,942.47	3,337.43
VI. Exceptional Items	-	-	-	-	-
VII. Profit before tax from continuing operations (V-VI)	8,843.01	640.34	1,518.01	10,942.47	3,337.43
VIII. Tax expense:					
(a) Current tax	2,271.38	-	-	2,271.38	-
(b) Adjustment of tax relating to earlier periods	48.42	-	-	48.42	-
(c) Deferred tax	66.99	20.93	(1,732.92)	560.16	(1,754.28)
Total Tax Expense/(Credit) net (a+b+c)	2,386.79	20.93	(1,732.92)	2,879.96	(1,754.28)
IX. Profit for the period from continuing operations (VI-VIII)	6,456.23	619.41	3,250.93	8,062.52	5,091.71
X. Profit for the period (IX)	6,456.23	619.41	3,250.93	8,062.52	5,091.71
XI. Other comprehensive income/(loss)					
A. Items that will not be reclassified to Statement of Profit and loss					
plans	(82.44)	-	(26.93)	(82.44)	(26.93)
ii. Income tax effect on the above	20.75	-	6.78	20.75	6.78
B. Items that will be reclassified to Statement of Profit or loss					
i. Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
Total Other comprehensive income/(loss) (A+B)	(61.69)	-	(20.15)	(61.69)	(20.15)
XII. Total comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period) (X+XI)	6,394.53	619.41	3,230.78	8,000.82	5,071.56
XIII. Paid-up equity share capital (Equity Shares of face value ₹10 Each)	1,680.24	1,680.24	1,675.94	1,680.24	1,675.94
XIV. Other equity excluding revaluation reserves	-	-	-	23,950.29	15,700.90
XV. Earnings per equity share (EPS)					
1. Basic EPS - Face Value of ₹ 10/- each- ₹	38.49	3.70	19.40	48.07	30.38
2. Diluted EPS - Face Value of ₹ 10/- each - ₹	38.49	3.70	19.35	48.07	30.35
	<i>Not Annualised</i>	<i>Not Annualised</i>	<i>Not Annualised</i>	<i>Annualised</i>	<i>Annualised</i>

Sreelaksh Murthy

Notes to the Standalone Audited Financial Results for the quarter and year ended March 31, 2026

1. The results have been prepared in accordance with Indian Accounting Standards ('IND AS') notified under Section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting standard) Rules, 2015 (Amended). These have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at its meeting held on May 29, 2026.
2. The Company is engaged in the manufacture and sale of Safety Systems and Software services for railways. The Company has business operations mainly in India, Egypt and USA. The Company is a public limited Company incorporated and domiciled in India and has its registered office at Plot No.38 (part) to 41, Survey No.1/1, Hardware Park, Raviryal Village, Maheswaram Mandal, Hyderabad - 501 510. The Company has its primary listings on the BSE Limited and National Stock Exchange in India. The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company operates on one reportable segment, hence segment reporting as per Ind AS 108 is not applicable.
- 3. Emphasis of Matter – Management's Assessment of Certain Financial Assets**
- The Statutory Auditors have included an Emphasis of Matter in their audit report regarding the Company's assessment of the recoverability of certain financial assets, as detailed below. The Management, based on internal evaluation and reasonable certainty of recovery, believes these assets are good and fully recoverable. Accordingly, no further provision is considered necessary at this stage:
- a) Trade receivables from customers amount to ₹422.73 lakhs (Previous Year: ₹422.10 lakhs), with an Expected Credit Loss (ECL) provision of ₹ 309.59 lakhs for the current year (Previous Year: ₹211.67 lakhs). These receivables have been outstanding for more than three years.
- b) Bank guarantees amounting to ₹265.03 lakhs given to one of the customers are currently under arbitration/conciliation proceedings.
- c) The company has invested Rs.8.00 Lakhs as capital contribution and also given advance of Rs.637.87 Lakhs to Kernex TCAS JV, against this said advances, net assets available as on the reporting date in Kernex TCAS JV is Rs. 292.33 Lakhs only. Accordingly, a provision for diminution in the value of investment and advances amounting to Rs. 403.07 lakhs has been made in the books of the company
4. As at the reporting date, the Company's aggregate outstanding order book is ₹ 4150 Crores (Including GST), with CLW being the major order under execution, against which supplies have been completed to the extent of 30% as on date of 29-05-2026.
5. On November 21, 2025, the Government of India has consolidated 29 existing labour legislations into a united framework comprising four Labour codes viz Code on wages 2019, Code on Social Security 2020, Industrial Relation Code 2020 and Occupational Safety, Health and Working Condition Code 2020 (collectively referred to as the New Labour Codes). The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company is already in compliance with the basic wages criteria as prescribed under New Labour Codes for own employees and there is no material impact on the company.
6. The Company holds an investment in Avant Grade Info Systems Inc (Wholly Owned Subsidiary) (incorporated outside India), carried at cost in the books of the Company. Based on impairment assessment carried out under Ind AS 36 – Impairment of Assets the recoverable amount of the investment was determined to be lower than its carrying value. Accordingly, the Company has recognised an impairment loss of ₹360.85 Lakhs .
7. The Company has recognised a provision for warranty obligations amounting to ₹1,376.60 Lakhs (Previous Year: ₹407.55 Lakhs) under Other Expenses. The provision represents Management's best estimate required to settle warranty obligations arising from contracts executed during the year, based on contractual warranty terms.
8. The figures for the corresponding previous periods have been regrouped/ reclassified wherever necessary, to make them comparable.
9. The figures for quarter ended March 31, 2026 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.
10. The above Financial Results for the quarter ended March 31, 2026, are available on the company's website and stock exchanges websites BSE (www.bseindia.com) and NSE (www.nseindia.com), in compliance with SEBI LODR Regulations.

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



Sreelakshmi Manthena

Managing Director

DIN: 07996443

Singapore
29th May 2026.

Kernex Microsystems (India) Limited

CIN:L30007TG1991PLC013211

TECHNOPOLIS, Plot Nos: 38-41, Hardware Technology Park TSIC Layout,
RAVIRYAL Maheshwaram, Ranga Reddy, Hyderabad - 501510. TS India.**Statement of Audited Standalone Assets and Liabilities** as at March 31, 2026

(₹ in Lakhs)

Particulars	As at 31st March 2026	As at 31st March 2025
ASSETS		
1 Non-current assets		
a) Property plant and equipment	2,718.13	2,498.63
b) Intangible assets	658.45	0.28
c) Intangible assets under development	-	702.96
d) Financial assets		
(i) Investments	923.91	1,283.97
(ii) Loans	234.80	575.89
(iii) Other financial assets	1,443.77	949.88
e) Deferred tax assets (net)	1,229.24	1,768.66
	7,208.30	7,780.27
2 Current assets		
a) Inventories	37,132.06	5,179.82
b) Contract assets	6,828.32	2,975.50
b) Financial assets		
(i) Trade receivables	31,598.36	1,900.79
(ii) Cash and cash equivalents	21.11	1,469.93
(iii) Bank balances other than (ii) above	2,526.14	1,905.12
(iv) Other financial assets	286.52	815.04
c) Income tax assets (net)	512.28	521.66
d) Other current assets	6,427.34	1,973.39
	85,332.13	16,741.24
Total assets	92,540.43	24,521.51
EQUITY AND LIABILITIES		
1 Equity		
a) Equity share capital	1,680.24	1,675.94
b) Other equity	23,950.29	15,700.90
Total equity	25,630.54	17,376.84
2 Non-current liabilities		
a) Financial liabilities		
i) Borrowings	19.95	27.78
b) Provisions	1,890.00	423.03
	1,909.96	450.81
3 Current liabilities		
a) Contract liabilities	-	16.50
b) Financial liabilities		
(i) Borrowings	16,172.36	3,962.60
(ii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	1,151.07	50.23
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	43,100.85	1,514.22
(iii) Other financial liabilities	2,309.09	1,008.63
c) Other current liabilities	203.11	121.55
d) Provisions	110.07	20.13
e) Income tax liabilities (net)	1,953.39	-
	64,999.94	6,693.86
Total liabilities	66,909.90	7,144.67
Total equity and liabilities	92,540.43	24,521.51

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

Managing Director

DIN: 07996443

Singapore
29th May 2026.

Kernex Microsystems (India) Limited

CIN:L30007TG1991PLC013211

TECHNOPOLIS, Plot Nos: 38-41, Hardware Technology Park TSIIIC Layout,
RAVIRYAL Maheshwaram, Ranga Reddy, Hyderabad - 501510. TS India.**Standalone Statement of Cash Flows** for the year ended March 31,2026

(₹ in Lakhs)

	Particulars	For the year ended March 31,2026	For the year ended March 31,2025
A	Cash flows from operating activities		
	Profit before tax from continuing operations	10,942.47	3,337.43
	Profit before tax	10,942.47	3,337.43
	<i>Adjustments to reconcile profit before tax to net cash flows :</i>		
	Depreciation and amortisation expenses	582.22	282.78
	Share-based payment expense	247.17	126.57
	Net foreign exchange differences (unrealised)	(5.05)	10.97
	Loss disposal of property, plant and equipment	-	0.16
	Interest income	(242.99)	(88.06)
	Finance costs	2,814.22	677.01
	Sundry balances written off	-	2.44
	Provision for doubtful debts (Lifetime expected credit loss)	583.76	70.10
	Loss on write-down of Inventory to net realizable value	30.00	100.07
	Provision for warranties	1,376.60	407.55
	Provision for Impairments	360.86	-
	Operating Profit before working capital changes	16,689.27	4,927.01
	<i>Working capital adjustments:</i>		
	(Increase)/decrease in Loans & Advances	(61.98)	(86.19)
	(Increase)/decrease in other financial assets	34.64	(771.80)
	(Increase)/decrease in inventories	(31,982.24)	1,889.68
	(Increase)/decrease in Contract assets	(3,852.82)	(2,975.50)
	(Increase)/decrease in trade receivables	(29,878.26)	(1,443.54)
	(Increase)/decrease in Income Tax Asset (net)	9.38	(230.52)
	(Increase)/decrease in margin money towards bank guarantees with bank	(621.03)	(391.81)
	(Increase)/decrease in other current assets	(4,453.95)	(78.15)
	Increase/(decrease) in provisions	97.86	(8.65)
	Increase/(decrease) in Contract liabilities	(16.50)	16.50
	Increase/(decrease) in trade payables	42,687.47	(414.19)
	Increase/(decrease) in Other financial liabilities	1,300.46	497.33
	Increase/(decrease) in other current liabilities	81.57	62.26
	Interest received	242.99	88.06
	Cash generated from operations	(9,723.16)	1,080.50
	Income tax paid	(366.40)	-
	Net cash (used in)/generated from operating activities (A)	(10,089.57)	1,080.50
B	Cash flows from Investing activities		
	Purchase of Property Plant and Equipment & Intangible assets	(1,459.88)	(413.12)
	Sale proceeds of Property Plant and Equipment & Intangible assets	-	0.25
	(Increase)/Decrease in intangible assets under development	702.96	(471.57)
	(Increase)/decrease in Investments	(0.80)	-
	Net cash (used in) investing activities (B)	(757.72)	(884.44)
C	Cash flows from Financing activities		
	Proceeds from issue of equity shares on exercise of employee stock options securities premium	4.30	-
	Proceeds from borrowings from Directors and Others	6.45	-
	Repayment of Term Loan and Other Borrowings	-	1.07
	Proceeds from Inter corporate deposit (ICD)	(86.44)	15.29
	Increase in utilisation of working capital borrowings from Banks	1,465.47	-
	Finance cost	10,822.91	1,549.71
		(2,814.22)	(677.01)
	Net cash from financing activities (C)	9,398.46	889.07
	Net (Decrease)/increase in cash and cash equivalents (A+B+C)	(1,448.82)	1,085.13
	Cash and cash equivalents at the beginning of the period	1,469.93	384.80
	Cash and cash equivalents at the end of the period.	21.11	1,469.93
	Cash and cash equivalents		
	Cash on hand	0.11	0.11
	Balances with banks in current account	21.00	1,469.82
	Total	21.11	1,469.93

Note: Statement of Cashflows has been prepared under the Indirect method as set out in the Indian Accounting Standard (IND AS) -7 "Statement of Cashflows" as specified in the Companies(Indian Accounting Standards) Rules, 2015.

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



Sreelakshmi Manthena
Managing Director
DIN: 07996443

Singapore
29th May 2026.

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

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 31st, 2026 and for the year ended March 31st, 2026 ("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. 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, 2026 and for the year ended March 31, 2026.

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 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.

Emphasis of Matter

We draw your attention to the Note 3 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. 422.73 Lakhs (PY 422.10 Lakhs) and respective Expected Credit Loss (ECL) provision for the CY Rs. 309.59 Lakhs (PY Rs. 211.67 Lakhs). The said receivable is outstanding for more than three years.
- b. Bank guarantees amounting to Rs. 265.03 lakhs given to the customers are currently under arbitration I conciliation proceedings.



- c. The company has invested Rs. 8.00 lakhs as capital contribution and also given advance of Rs.637.87 lakhs to Kernex TCAS JV, against this said advances, net assets available as on the reporting date in Kernex TCAS JV is Rs. 292.33 lakhs only. Accordingly, a provision for diminution in the value of investment and advances amounting to Rs. 403.07 lakhs has been made in the books of the company.

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

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

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 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, 2026 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2026 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.

We draw attention to the Note 6 forming part of the Statement of Standalone Financial Results, which describes the impairment loss recognised by the Company during the year on its investment in Avant-Garde Infosystems Inc., USA, (Wholly owned Subsidiary) pursuant to an impairment assessment carried out under Ind AS 36- Impairment of Assets.

Our opinion is not qualified in respect of this matter.

For NSVR & Associates LLP

Chartered Accountants

ICAI Firm's Reg. No. 008801S/S200060

V Gangadhar

Partner

Membership No. 219486

UDIN: 26219486GMBHOK1032

Place: Hyderabad

Date: 29-05-2026.



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

Registered Office :

"TECHNOPOLIS", Plot Nos : 38-41,
Hardware Technology Park,
TSIIC Layout, Raviryal (V),
Hyderabad – 501 510, Telangana, India.



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Website : www.kemex.in

KMFL/SE/Q4/25-26/030

29th May 2026

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, Sreelakshmi Manthena, Managing 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 Standalone Financial Results for the Quarter and Year Ended 31st March, 2026.

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**

Sreelakshmi Manthena
SREELAKSHMI MANTHENA
MANAGING DIRECTOR
DIN: 07996443

