



KERNEX MICROSYSTEMS (INDIA) LTD.

(AN ISO-9001 : 2008 Certified Company)

CIN : L30007TG1991PLC013211

Phone : +91-40-23113192-94
Fax : +91-40-23114187
Email : kernex@kernexmail.in
Website : www.kernex.in



Registered Office :

'THRUSHNA', Plot No. 7,
Software Units Layout, Infocity
Madhapur, Hyderabad - 500 081.
Telangana, India.

28th May-2016

The General Manager
The Department of Corporate Services,
Bombay stock Exchange Limited,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001
BSE Scrip Code: 532686

The Manager
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

Dear Sir,

SUB: OUTCOME OF BOARD MEETING HELD ON 28th May-2016

We hereby inform the following outcome of our board meeting held on 28th May-2016 is as under:-

1. Approval of Audited STANDALONE & CONSOLIDATED Financial Statements for the Q4 & Financial Year 2015-16.
2. Consideration of draft Auditor's Report for the Financial Year 2015-16
3. Re-appointment of Statutory Auditors M/s. GMK Associates, (ICAI Registration No: 006945S) for the Financial Year 2016-17
4. Re-Appointment of M/s. SRH & Co., Chartered Accountants as Internal Auditors for the Financial Year 2016-17.
5. Appointment of M/s. Abhishek Shukla & Co., Company Secretaries as Secretarial Auditor for the Financial Year 2015-16.

We request you to take on record the above

Thanking you & Yours faithfully
For **Kernex Microsystems (India) Limited**



Col L.V.Raju (Retd)
Managing Director

S. Srinivasa Kiran
Company Secretary-cum-Compliance Officer



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Audited Standalone & Consolidated Financial Results for the Quarter and year ended 31st March, 2016

(Rs. in lakhs)

Sl. No.	Particulars	STANDALONE					CONSOLIDATED	
		Three Months Ended			For the year ended		For the year ended	
		31/03/2016 (Audited- Refer Note No 14)	31/12/2015 (Audited)	31/03/2015 (Audited- Refer Note No 14)	31/03/2016 (Audited)	31/03/2015 (Audited)	31/03/2016 (Audited)	31/03/2015 (Audited)
1	Income from operations:							
	(a) Net Sales/Income from Operations (Net of Excise Duty)	107.38	86.79	719.37	1,214.20	2,140.59	1,214.20	1,951.44
	(b) Other operating income							
	Total Income from operations (net)	107.38	86.79	719.37	1,214.20	2,140.59	1,214.20	1,951.44
2	Expenses:							
	a. Cost of materials consumed	88.13	55.10	66.73	494.15	463.90	497.46	472.88
	b. Purchase of stock-in-trade			-		-		
	c. Changes in inventories of finished goods, work in progress and stock in trade	(49.75)	(147.95)	(40.85)	14.88	(314.93)	14.88	(513.06)
	d. Employees benefits expense	171.17	139.89	222.20	727.22	929.68	727.22	929.68
	e. Depreciation and amortization expense	79.44	80.57	150.81	321.01	416.57	321.06	416.62
	f. Other expenses	184.83	161.73	685.09	825.28	1,419.68	849.32	1,750.76
	Total Expenses	473.82	289.34	1,083.98	2,382.54	2,914.89	2,409.94	3,056.88
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	(366.44)	(202.55)	(364.60)	(1,168.34)	(774.30)	(1,195.74)	(1,105.44)
4	Other Income	48.25	36.84	(4.42)	208.22	159.53	208.22	152.18
	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	(318.19)	(165.72)	(369.02)	(960.12)	(614.77)	(987.52)	(953.26)
5								
6	Finance Costs	126.85	90.71	52.90	401.43	339.67	638.48	339.81
	Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5+6)	(445.04)	(256.43)	(421.92)	(1,361.55)	(954.44)	(1,626.00)	(1,293.07)
7								
8	Prior Period items		-	5.40		13.77		
	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	(445.04)	(256.43)	(427.32)	(1,361.55)	(968.21)	(1,626.00)	(1,293.07)
9	Tax expense	(13.34)	(2.64)	(22.60)	(32.61)	(28.91)	(32.61)	(28.91)
10	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	(431.69)	(253.78)	(404.72)	(1,328.94)	(939.30)	(1,593.40)	(1,264.16)
11	Extraordinary Item (net of tax expense Rs.....lakhs)							
12	Net Profit (+)/Loss(-) for the period (11-12)	(431.69)	(253.78)	(404.72)	(1,328.94)	(939.30)	(1,593.40)	(1,264.16)
13								
14	Share of profit/(Loss) of associates							
15	Minority Interest							
	Net profit/(Loss) after taxes, minority interest and share of profit/(Loss) of Associates (13-14-15)	(431.69)	(253.78)	(404.72)	(1,328.94)	(939.30)	(1,593.40)	(1,264.16)
16								
17	Paid-up equity share capital (Face value of share to be indicated)	1,249.97	1,249.97	1,249.97	1,249.97	1,249.97	1,249.97	1,249.97
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					10,598.39		10,076.55
19.i	Earnings Per Share (before extra ordinary items)	(3.45)	(2.03)	(3.24)	(10.63)	(7.51)	(12.75)	(10.11)
19.ii	Earnings Per Share (after extra ordinary items)	(3.45)	(2.03)	(3.24)	(10.63)	(7.51)	(12.75)	(10.11)
	Earnings Per Share (after extra ordinary items)	(3.45)	(2.03)	(3.24)	(10.63)	(7.51)	(12.75)	(10.11)



Statement of Assets and Liabilities

(Rs in lakhs)

SI No	Particulars	STAND ALONE		CONSOLIDATED	
		31.03.2016 Audited	31.03.2015 Audited	31.03.2016 Audited	31.03.2015 Audited
A.	EQUITY AND LIABILITIES				
1	Shareholders Funds				
	a) Share Capital	1249.97	1,249.97	1,249.97	1,249.97
	b) Reserves and Surplus	9194.99	10,598.38	8,408.73	10,076.55
		10,444.97	11,848.35	9,658.70	11,326.52
2	Non-current liabilities				
	a) Long term borrowings	3.60	-	3.60	-
	b) Deferred tax liabilities (Net)	0.00	-	-	-
	c) Other long term liabilities	400.00	-	400.00	-
		403.60	0.00	403.60	0.00
3	Current Liabilities				
	a) Short term borrowings	2687.64	2,179.91	2,687.64	2,179.91
	b) Trade Payables	1340.66	1,330.06	1,340.66	1,330.06
	c) Other current liabilities	680.49	684.50	1,559.93	1,295.70
	d) Short term provisions	20.26	20.28	20.28	20.28
	Sub-total -Current Liabilities	4,729.06	4,214.75	5,608.52	4,825.95
	TOTAL	15,577.62	16,063.10	15,670.82	16,152.47
B	ASSETS:				
1	Non - Current Assets				
	a) Tangible Assets	4966.26	5,275.32	4,966.26	5,275.32
	b) Intangible Assets	2.00	2.40	2.00	2.40
	c) Capital Work In progress	974.40	974.40	974.40	974.40
	d) Non-current investments	118.31	118.31	-	-
	e) Deferred Tax Assets (net)	67.66	35.05	67.66	35.05
	f) Long- term loans and advances	719.42	710.44	719.42	710.44
	g) Other non current assets				
		6,848.05	7,115.92	6,729.74	6,997.61
2	Current Assets				
	a) Inventories	2480.70	2,607.17	2,480.70	2,607.17
	b) Trade Receivables	5188.86	5,243.03	5,188.86	5,243.03
	c) Cash and cash equivalents	523.93	559.72	524.97	568.74
	d) Short term loans and advances	470.18	481.20	470.18	481.19
	e) Other current assets	65.89	56.06	276.34	254.72
		8,729.57	8,947.18	8,941.07	9,154.85
	TOTAL	15,577.62	16,063.10	15,670.82	16,152.47



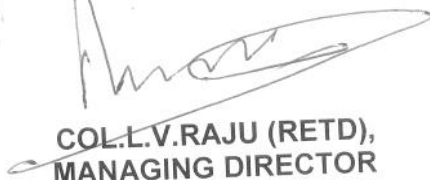


Notes:-

1. The above results have been reviewed by the Audit Committee and taken on record by the Board of Directors in their respective meetings held on 28.05.2016 and have been audited by the Statutory Auditors of the Company.
2. Number of Investor complaints left unresolved at the beginning of the quarter **Nil**, received during the quarter- **Nil** Disposed off during the quarter- **Nil** and pending - **Nil**.
3. The Company operates in one reportable segment i.e. Safety systems for railways and hence segment reporting as per AS-17 is not applicable.
4. The figures for the quarter ended 31st March'2016 and 31st March'2015, are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto nine months of the relevant financial year.
5. Figures for the previous Periods have been regrouped/rearranged, wherever considered necessary.



**By order of the Board of Directors
FOR KERNEX MICROSYSTEMS (INDIA) LTD.,**


**COL. L.V. RAJU (RETD),
MANAGING DIRECTOR
DIN:00052102**

**Place: Hyderabad
Date: 28.05.2016**

FORM A

1	Name of the Company	Kernex Microsystems (India) Limited
2	Annual Financial Statements for the year ended	31 st March, 2016
3	Type of Audit Observation	Un-modified
4	Frequency of Observation	Not Applicable


Col. L V Raju
Managing Director


CFO (IC)


A Venkat Ratnam
Audit Committee Chairman

Place: Hyderabad
Date: 28th May, 2016

Refer our Audit Report dated 28th May, 2016
On the Standalone Financial Statements of the Company

For GMK Associates
Chartered Accountants
Firm Regn. No. 006945S


G Satyanarayana Murty
Partner
Membership No. 029919

Place: Hyderabad
Date: 28th May, 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KERNEX MICROSYSTEMS (INDIA) LIMITED

1. We have audited the accompanying Statement of Standalone and Consolidated Financial Results of KERNEX MICROSYSTEMS (INDIA) LIMITED ("the Holding Company") and its subsidiary entity for the year ended 31 March 2016 ("the statement"), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. This Statement, which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared on the basis of the related standalone and consolidated financial statements which is in accordance with the Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.
2. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation and fair presentation of the Statement in order to design audit procedures that are inappropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimate made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. We did not audit the financial statements/ financial information of wholly owned subsidiary included in the consolidated financial results, whose financial statements/financial information reflects total assets of Rs.211.50 lakhs as at 31 March, 2016, total revenues of Rs.103 for the year ended 31 March, 2016 and total loss after tax of Rs.264.42 lakhs as considered in the consolidated financial results. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors.



- Place: Hyderabad
Date: 28th May, 2016

For GMK Associates
Chartered Accountants
Firm Regn No. 006945S

G Satyanarayana Murty
Partner
Membership No. 029919