KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001:2015 Certified Company)

CIN: L30007TG1991PLC013211

Tel: +91 90300 17501
+91 90300 17502
e-mail: kernex@kernex.in
website: www.kernex.in

Registered Office :
'TECHNOPOLIS', Plot No. 38(Part) to 41,
Hardware Technology Park,
TSIIC Layout, Imarath Kanch, Raviryal (V),
Maheswaram (M), R.R. (Dist.),
Hyderabad - 501 510. Telangana. India.

KMIL/SE/Q4/19-20/35

20th May'19.

To	To
The Listing / Compliance Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	The Listing / Compliance Department National Stock Exchange of India Ltd Plot No.C/1, G Block,Exchange Plaza Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051
BSE Scrip Code: 532686	**NSE Symbol: KERNEX**

Sir / Madam,

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')
Sub: Outcome of the Board Meeting.

Pursuant to Regulation 30 read with Part A of Schedule III, of the Listing Regulations, we hereby inform you that the Board of Directors of the Company at its 193rd Meeting held on May 20, 2019, had, *inter-alia* trasacted the following items of the business:

i) Approved the Audited Standalone and Consolidated Financial Results of the Company for the fourth quarter and financial year ended 31st March, 2019,
ii) Approved the Audited Standalone and Consolidated Statement of Assets and Liabilities for the year ended 31st March, 2019,
iii) Taken note of the Auditor"s Report on Quarterly and Year to Date Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2019 as required under Regulation 33 of SEBI (LODR) Regulations, 2015.
iv) Declaration pursuant to the SEBI circular CIR/CFD/CMD/56/2016 dated May 27, 2016.

The aforesaid Board Meeting commenced at 04:00 p.m. and concluded at 07.45 P.M.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours faithfully
For **KERNEX MICROSYSTEMS (INDIA) LIMITED**

M B NARAYANA RAJU
DIRECTOR
DIN No.07993925

PRASADA RAO KALLURI
COMPANY SECRETARY

KERNEX MICROSYSTEMS (INDIA) LTD.

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KMIL/SE/Q4/19-20/36

20th May'19.

To	To
The Listing / Compliance Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	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: Submission of Audited Financial Results of the Company, Statement of Assets and Liabilities as per the provisions of SEBI (LODR) Regulations, 2015.

Please find enclosed herewith the following documents in terms of Regulation 33 of SEBI (LODR) Regulations, 2015:

1. Audited Standalone and Consolidated Financial Results of the Company for the fourth quarter and financial year ended 31st March, 2019
2. Standalone and Consolidated Statement of Assets and Liabilities for the year ended 31st March, 2019
3. Auditor"s Report on Quarterly and Year to Date Standalone and Consolidated Financial Statements of the Company for the Financial Year ended on 31st March, 2019 as required under Regulation 33 of SEBI (LODR) Regulations, 2015
4. Declaration pursuant to SEBI Circular No.CIR/CFD/CMD/56/2016 dated 27th May, 2016.

This is for your information and necessary records.

Yours faithfully
For **KERNEX MICROSYSTEMS (INDIA) LIMITED**

M B NARAYANA RAJU
DIRECTOR
DIN No.07993925

PRASADA RAO KALLURI
COMPANY SECRETARY

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Statement of Audited STANDALONE and CONSOLIDATED financial results for the quarter and year ended 31st Mar 2019

Amt in Rs

Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
	31-Mar-19	31-Dec-18	31-Mar-18	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
	Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
Revenue from operations	31,483,066	8,309,968	49,294,325	74,737,993	133,055,787	81,361,446	133,055,787
Other income	3,579,278	1,297,206	3,334,917	12,954,375	7,185,671	12,954,423	7,185,693
Total income	35,062,344	9,607,174	52,629,242	87,692,367	140,241,457	94,315,870	140,241,480
Expenses							
Cost of materials consumed	30,492,321	7,794,375	322,899	52,367,740	6,596,350	54,949,168	6,596,350
Purchases of stock in trade	-	1,225,000	8,888,966	1,225,000	13,964,371	1,225,000	11,220,731
Changes in inventories of finished goods, work in progress and stock in trade	(4,590,099)	(7,574,029)	1,264,633	(9,025,913)	1,264,633	(9,025,913)	1,264,633
Employee benefit expense	10,825,482	10,435,199	12,404,299	45,002,812	48,597,456	49,169,232	48,984,286
Finance cost	3,849,448	6,472,032	5,633,302	22,878,222	21,457,420	22,903,429	21,469,266
Depreciation and amortization expense	5,913,582	5,065,430	5,596,692	21,032,846	22,462,207	21,032,846	22,462,207
Other expenses	3,922,889	61,251,464	88,405,925	96,472,518	175,769,784	338,537,561	181,040,362
Total expenses	50,413,622	84,569,471	122,516,716	229,953,225	290,112,222	478,791,322	293,037,837
Profit/(loss) before extraordinary, exceptional items and tax	(15,351,278)	(75,062,296)	(69,887,474)	(142,260,857)	(149,870,764)	(384,475,453)	(152,796,357)
Extraordinary items	-	-	-	-	-	-	-
Exceptional items	(48,341,384)	6,809,496	-	(66,924,776)	-	169,326,699	-
Profit/(loss) before tax	(63,692,663)	(68,252,800)	(69,887,474)	(209,185,634)	(149,870,764)	(215,148,754)	(152,796,357)
Tax expense							
(i) Current tax	-	-	-	-	-	-	-
(ii) Previous years tax		2,919,699		2,919,699		2,919,699	-
(ii) Deferred tax	(3,166,961)	(773,868)	(2,860,663)	(5,378,641)	(5,641,149)	(5,378,641)	(5,641,149)
Net profit/(loss) for the period/year	(60,525,702)	(70,398,631)	(67,026,811)	(206,726,691)	(144,229,615)	(212,689,811)	(147,155,207)
Other comphrensive income							
A (i) Items that will not be reclassified to Statement of Profit and loss	(152,330)	-	(729,848)	(152,330)	(729,848)	(152,330)	(729,848)
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and loss				-	-	-	-
B (i) Items that will be reclassified to Statement of Profit and loss				-	-	-	-
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss				-	-	-	-
Total comphrensive income	(60,678,032)	(70,398,631)	(67,756,659)	(206,879,021)	(144,959,463)	(212,842,141)	(147,885,055)
Earnings per equity share (EPS)							
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	124,996,550	124,996,550	124,996,550	124,996,550	124,996,550	124,996,550	124,996,550
Basic and Diluted Earnings per share of Rs.10/- each (*not annualised*) Rs.	(4.84)	(5.63)	(5.36)	(16.54)	(11.54)	(17.02)	(11.77)

PRSV & Co. Chartered Accountants Hyderabad

KERNEX MICROSYSTEMS (INDIA) LTD. HYD

Notes:

1. The above Financial Results were reviewed and recommended by the Audit Committee and taken on record by the Board of Directors in their meeting held on 20th May 19. These results are as per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.CIR/CFD/FAC/62/2016 dated 05th Jul 16.
2. The Company operates in one reportable segment i.e. Safety systems for Railways and hence segment reporting as per Ind AS-108 is not applicable.
3. These financials results have been prepared in accordance with the Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended and other accounting principles generally accepted in India.
4. As per Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has opted to publish quarterly unaudited standalone results and to publish consolidated results at the year end.
5. As approved by the Board, obsolete stock amounting to Rs. 5.82 Crores has been written off in the books of accounts during the financial year 2018-19
6. As approved by the Board, provision for non/slow moving stocks amounting to Rs.2.55 Crores has been made during the financial year 2018-19. The same is shown under exceptional items.
7. An amount of Rs 15.08 crores receivable from Konkan Railway Corporation Limited (KRCL) is under arbitration. Further the Company has failed in the conciliation proceedings against KRCL for an amount of Rs 5.18 cores and the Company is in the process of filing Arbitration petition. In this regard, the company has made a provision amounting to Rs. 20.36 in the books during the year 2018-19. The same is shown under exceptional items.
8. Post the applicability of Goods and Service Tax (GST) with effect from 01st Jul 17, Revenue from Operations is disclosed net of GST. Accordingly, the revenues for the year ended 31st Mar 18 are not comparable with those of other periods presented in the results.
9. Effective 01st April 2018, the Company adopted Ind AS, 115, Revenue from Contracts replaces existing revenue recognition requirements. The application of Ind AS 115 did not have any material impact on recognition and measurement of revenue and related items in the financial results of the Company.
10. Figures for the previous periods have been regrouped/rearranged, wherever considered necessary.

Place **Hyderabad**

Date **20th May 19**

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

M.B.NARAYANA RAJU
DIRECTOR
DIN - **07993925**

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Audited STANDALONE and CONSOLIDATED Statement of Assets and Liabilities as at 31st March 2019

Amt in Rs

Particulars	Standalone		Consolidated	
	As at 31-Mar-19 Audited	As at 31-Mar-18 Audited	As at 31-Mar-19 Audited	As at 31-Mar-18 Audited
ASSETS				
Non-current assets				
Property, Plant and Equipment	**426,469,900**	534,850,796	**426,469,900**	534,850,796
Capital work-in-progress				
Intangible assets	**145,278**	594,914	**145,278**	594,914
Financial assets				
Investments	**11,830,950**	11,830,950		
Other financial assets	**61,729,006**	61,527,499	**61,729,006**	61,527,499
Deffered tax assets (net)	-	-		
Other Non-current assets	**20,630,650**	23,080,217	**20,630,650**	23,080,217
Total non-current assets	**520,805,784**	631,884,376	**508,974,834**	620,053,426
Current assets				
Inventories	**24,949,999**	85,590,288	**24,949,999**	85,590,288
Financial assets				
Trade receivables	**152,388,587**	365,262,322	**139,003,536**	363,168,282
Cash and cash equivalents	**4,971,138**	5,224,824	**5,538,942**	6,649,939
Other bank balances	**69,179,462**	55,314,912	**69,179,462**	55,314,912
Other financial assets	**2,546,352**	1,542,491	**2,546,352**	1,542,491
Other current assets	**56,828,863**	44,881,841	**91,287,467**	65,460,656
Total current assets	**310,864,400**	557,816,678	**332,505,759**	577,726,568
TOTAL ASSETS	**831,670,188**	1,189,701,054	**841,480,596**	1,197,779,995
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	**124,996,550**	124,996,550	**124,996,550**	124,996,550
Other equity	**490,682,192**	693,089,334	**431,665,196**	636,788,915
Total Equity	**615,678,742**	818,085,884	**556,661,746**	761,785,465
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	**193,681**	590,612	**193,681**	590,612
Provisions	-	-	-	-
Deferred tax liabilities	**3,880,780**	9,259,421	**3,880,780**	9,259,421
Other Non-current liabilities	**18,851**	79,800,000	**18,851**	79,800,000
Total Non-current liabilities	**4,093,312**	89,650,033	**4,093,312**	89,650,033
Current liabilities				
Financial liabilities				
Borrowings	**133,790,753**	188,950,917	**204,619,993**	255,424,317
Trade Payables	**54,383,092**	66,154,016	**52,381,257**	64,059,976
Other financial liabilities	**1,036,988**	1,197,756	**1,036,988**	1,197,756
Other current liabilities	**22,687,300**	25,662,448	**22,687,300**	25,662,448
Provisions				
Total current liabilities	**211,898,134**	281,965,137	**280,725,539**	346,344,497
TOTAL EQUITY AND LIABILITIES	**831,670,188**	1,189,701,054	**841,480,597**	1,197,779,995

PRSV & CO. LLP Hyderabad Chartered Accountants

KERNEX MICROSYSTEMS (INDIA) LTD. HYD

P R S V & Co. LLP
Chartered Accountants

202, Saptagiri Residency,
1-10-98/A, Chikoti Gardens,
Begumpet, Hyderabad - 500 016
Phone : +91 40 66108177/2776 6881
Telefax : +91 40 2776 6881
E-mail prsvco@gmail.com
Website : prsvllp.com

Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
KERNEX MICROSYSTEMS (INDIA) LIMITED

1. We have audited the accompanying Statement of Standalone Financial Results of KERNEX MICRO SYSTEMS (INDIA) LIMITED ("the Company) for the quarter and year ended 31st Mar 19 ("The Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July, 5, 2016.

2. The statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related standalone Ind AS Financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under (Ind AS) and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such standalone financial statements.

3. 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 includes examining, on a test basis, evidence supporting amounts disclosed in the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the statement.

4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion in respect of stand-alone financial statements for the year ending 31st Mar 19.

5. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone Ind AS financial results as well as the year to date results

   a. Is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July, 5, 2016; and

b. Gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the standalone net loss and other financial information of the Company for the year ended 31st March, 2019.

6. The statement includes the results for the Quarter ended 31st Mar 19 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Place: **Hyderabad**
Date : **20th May 19**

For **PRSV & Co.LLP**
Chartered Accountants
FRN No: S200016

Y.Venkateswarlu
Partner
M.No: 222068

P R S V & Co. LLP
Chartered Accountants

202, Saptagiri Residency,
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Website : prsvllp.com

Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

TO
THE Board of Directors of
KERNEX MICROSYSTEMS (INDIA) LIMITED

1. We have audited the accompanying Statement of Consolidated Financial Results of KERNEX MICROSYSTEMS (INDIA) LIMITED ("the Holding Company) and its subsidiary entity for the year ended 31st Mar 19 ("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 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July, 5, 2016.

2. 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 consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards, prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued there under (Ind AS) and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement based on our audit of such consolidated financial statements.

3. 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 includes examining, on a test basis, evidence supporting amounts disclosed in the statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the significant accounting estimates made by the Management, as well as evaluating the overall presentation of the statement.

4. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion in respect of consolidated financial statements for the year ending 31st Mar 19.

5. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditor referred to in paragraph 3 above, the Statement subject to matters other than specified in paragraph 4 above;

    a. Includes the results of Avant-Garde Infosystems Inc, USA (Wholly owned Subsidiary).

    b. Is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July, 5, 2016; and

    c. Gives a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the consolidated net loss and other financial information of the Group for the year ended 31 March, 2019.

6. 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.230.34 Lakhs as at 31st Mar 19, total revenues of Rs.78.09 Lakhs for the year ended 31st Mar 19 and total loss after tax of Rs.7.23 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.

7. Since subsidiary is following Cash basis of accounting, no provision is made towards interest of Rs 2.09 crores on unsecured loan for the financial year 2018-19. The loss of the subsidiary is short reported by Rs 2.09 crores and the liabilities are understated by Rs 2.09 crores for the year 2018-19. Further we state that the loan liability as on 31st Mar 19 is understated by Rs 9.51 crores (including the current year interest stated above) on account of non provision of interest since borrowal of the loan.

Place: **Hyderabad**
Date : **20th May 19**

For **PRSV & Co.LLP**
Chartered Accountants
FRN No: S200016

Y.Venkateswarlu
Partner
M.No: 222068

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KMIL/SE/Q4/19-20/37

20th May'19.

To	To
The Listing / Compliance Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	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. Badari Narayana Raju, Wholte 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. PRSV & Co., LLP, Chartered Accountants, represented by its Partner Mr. Y. Venkateswarlu, holding Membership No. 222068, have issued an Audit Report with Unmodified Opinion on Audited Financial Results for the Quarter and Year Ended 31st March, 2019.

This Declaration is issued in compliance of Regulation 33(3)(d) of the SESI (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
DIRECTOR
DIN No.07993925