

# KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001:2015 Certified Company)

CIN : L30007TG1991PLC013211

Tel: +91 8414 – 667600

Fax: +91 8414 – 667695

email : kernex@kernex.in

Website : www.kernex.in



**Registered Office :**

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

KMIL: SE:OC:22-23:081

14<sup>th</sup> November 2022

To The Listing / Compliance Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001  <b>BSE Scrip Code: 532686</b>	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  <b>NSE Symbol: KERNEX</b>
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Dear Sir / Madam,

**Sub: Submission of unaudited financial results of the company, statement of Assets and Liabilities and Cash Flow Statement as per provisions of SEBI (LODR) Regulations, 2015.**

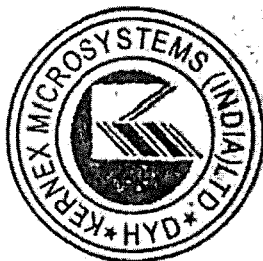
Please find enclosed herewith the following documents in terms of Regulation 33 of SEBI (LODR) Regulations, 2015.

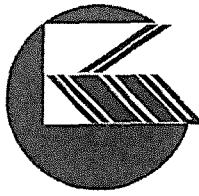
- Approved the Un-Audited Standalone and Consolidated Financial Results together with Statement of Assets and Liabilities and Cash Flow Statements of the Company for the second quarter and half year ended 30<sup>th</sup> September, 2022.
- Limited Review Report on un-audited Standalone and Consolidated Financial results of the Company for the second quarter ended on 30<sup>th</sup> September 2022 as required under Regulation 33 of SEBI (LODR) Regulations, 2015.

This is for your kind information and records.

Yours faithfully,  
For Kernex Microsystems (India) Limited

**M B Narayana Raju**  
Whole-Time Director  
DIN: 07993925





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KERNEX MICROSYSTEMS (INDIA) LIMITED



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

Unaudited STANDALONE Statement of financial results for the quarter and half year ended 30th Sep, 2022

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

Particulars	Quarter ended			Half Year Ended		Year ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
<b>Income</b>						
Revenue from operations	40.56	90.81	280.23	131.37	425.62	535.89
Other Income	35.31	22.02	22.27	57.33	44.70	180.26
<b>Total income</b>	<b>75.86</b>	<b>112.83</b>	<b>302.50</b>	<b>188.69</b>	<b>470.32</b>	<b>716.15</b>
	-	-	-	-	-	-
<b>Expenses</b>						
Cost of materials consumed	43.94	77.77	16.80	121.71	176.28	257.66
Changes in inventories of finished goods, work in progress and stock in trade	-3.84	-	165.29	-3.84	77.48	84.84
Employee benefit expense	178.79	134.05	142.46	312.84	283.02	577.86
Finance cost	45.29	44.70	84.94	89.99	136.96	240.00
Depreciation and amortization expense	35.74	31.97	31.57	67.70	70.75	143.59
Other expenses	179.62	122.67	129.64	302.29	316.14	592.02
<b>Total expenses</b>	<b>479.54</b>	<b>411.15</b>	<b>570.71</b>	<b>890.70</b>	<b>1,060.64</b>	<b>1,895.98</b>
	-	-	-	-	-	-
<b>Profit/(loss) before extraordinary, exceptional items and tax</b>	<b>-403.68</b>	<b>-298.32</b>	<b>-268.21</b>	<b>-702.00</b>	<b>-590.32</b>	<b>-1,179.83</b>
Extraordinary items	-	-	-	-	-	-
Exceptional items	-	-	-	-	-	-442.58
<b>Profit/(loss) before tax</b>	<b>-403.68</b>	<b>-298.32</b>	<b>-268.21</b>	<b>-702.00</b>	<b>-590.32</b>	<b>-1,622.41</b>
Tax expense	-	-	-	-	-	-
(i) Current tax	-	-	-	-	-	-
(ii) Previous years tax	-	-	-	-	-	-
(iii) Deferred tax	8.81	3.22	8.81	12.03	14.26	35.11
<b>Net profit/(loss) for the year</b>	<b>-412.49</b>	<b>-301.54</b>	<b>-277.02</b>	<b>-714.03</b>	<b>-604.58</b>	<b>-1,657.52</b>
<b>Other comprehensive income</b>						
Items that will not be reclassified to Statement of Profit and loss	-	-	-	-	-	-
(i) Remeasurement gains/(losses) of the defined benefit plans	-	-	-	-	-	-13.62
(ii) Income tax effect on the above	-	-	-	-	-	-
<b>Total comprehensive Income for the year</b>	<b>-412.49</b>	<b>-301.54</b>	<b>-277.02</b>	<b>-714.03</b>	<b>-604.58</b>	<b>-1,671.15</b>
<b>Earnings per equity share (EPS)</b>						
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	1,379.97	1,379.97	1,249.97	1,379.97	1,249.97	1,249.97
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	(2.99)	(2.19)	(2.22)	(5.17)	(4.84)	(13.26)

M. S. Das





**Notes:**

1. The above Un-Audited Standalone Financial Results were reviewed and recommended by the Audit Committee are considered and approved by the Board of Directors at their meeting held on 14<sup>th</sup> November' 2022. These results are as per Regulation 33 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.C1R/CFD/FAC/62/2016 dated 05<sup>th</sup> July'16. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.
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. Figures for the previous periods have been regrouped/rearranged, wherever considered necessary, in line with the current period presentation.
5. The results for the quarter ended 30<sup>th</sup> September, 2022 are also available on websites of BSE Limited, National Stock Exchange of (India) Limited and on the Company's Website

Place **Hyderabad**

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

Date **14<sup>th</sup> November 2022**



*M.B. Narayana Raju*

**M.B.Narayana Raju**  
**Whole Time Director**  
**DIN: 07993925**



## KERNEX MICROSYSTEMS (INDIA) LIMITED

## Unaudited STANDALONE Statement of Assets and Liabilities as at 30th Sep, 2022

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

Particulars	As at 30-Sep-22	As at 31-Mar-22
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	2,526.77	2,548.25
Capital work-in-progress	-	-
Intangible assets	0.65	0.95
<b>Financial assets</b>		
Investments	1,283.97	803.78
Other financial assets	530.09	13.43
Income tax Assets	284.92	260.19
<b>Total non-current assets</b>	<b>4,626.40</b>	<b>3,626.59</b>
<b>Current assets</b>		
Inventories	717.77	715.10
<b>Financial assets</b>		
Trade receivables	1,022.05	1,137.82
Cash and cash equivalents	29.14	626.41
Other bank balances	2,049.74	1,265.82
Other financial assets	2.38	2.70
Other current assets	657.49	862.02
<b>Total current assets</b>	<b>4,478.56</b>	<b>4,609.87</b>
<b>TOTAL ASSETS</b>	<b>9,104.96</b>	<b>8,236.47</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	1,379.97	1,249.97
Other equity	4,704.28	4,609.63
<b>Total Equity</b>	<b>6,084.24</b>	<b>5,859.60</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	40.86	-
Provisions	19.98	19.98
Deferred tax liabilities	87.83	75.80
Other Non-current liabilities	-	-
<b>Total Non-current liabilities</b>	<b>148.68</b>	<b>95.79</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	1,961.38	1,194.77
Trade Payables	-	-
Dues of small enterprises and micro enterprises	0.33	27.22
Dues of creditors other than small enterprises and micro enterprises	308.35	289.31
Other financial liabilities	15.48	2.46
Other current liabilities	586.50	767.33
<b>Total current liabilities</b>	<b>2,872.04</b>	<b>2,281.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,104.96</b>	<b>8,236.47</b>

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## KERNEX MICROSYSTEMS (INDIA) LIMITED

## Statement of Cash Flows for the half year ended 30th Sep, 2022

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

Particulars	30-Sep-22	31-Mar-22
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	-702.00	-1,622.41
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>		
Depreciation and amortisation	67.70	143.59
Other comprehensive income	-	-
Foreign currency translation gain / (loss)	19.86	-25.11
Written off / provision for obsolete stock	-	-
Sundry balances written off	-	-
Provision for doubtful advances	1.21	-
Provision for expected credit loss	-	-
Provision for slow/non moving stocks	-	-
Liabilities no longer required written off	-11.04	-
(Profit) on disposal of property, plant and equipment	-	-75.39
Receivable on sale of fixed asset written off	-	442.58
Expenses for sale of land	-	-
Finance costs	89.99	240.00
Interest income	-44.87	-91.25
Other non operating income	-	-
<b>Changes in assets and liabilities</b>		
Trade receivables	115.77	143.31
Inventories	-2.67	119.56
Other assets	-418.76	335.34
Trade payables	-7.86	-23.50
Other liabilities	167.80	-123.01
<b>Net cash flow from operating activities</b> A	<b>-724.85</b>	<b>-536.29</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	-	553.69
Purchase of property, plant and equipment	-	-15.76
Investment in 100% WOS	-480.19	-
Investment in JV	-	-
Expenses for sale of land	-	-
Other non operating income	-	-
Interest income	44.87	91.25
<b>Net cash flow used in investing activities</b> B	<b>-435.32</b>	<b>629.18</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital	1,469.00	-
Proceeds from Share application money	-552.00	552.00
Repayment of long term borrowings	766.61	-186.59
Finance costs	-89.99	-240.00
<b>Net cash flow (used in)/from financing activities</b> C	<b>1,593.62</b>	<b>125.41</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b> A+B+C	<b>433.45</b>	<b>218.30</b>
Cash and bank balances at the beginning of the year	1,645.44	1,673.94
<b>Cash and cash equivalents at the end of the year</b>	<b>2,078.88</b>	<b>1,892.23</b>

M. S. Das





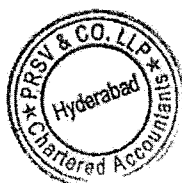
**Independent Auditor's Review Report on the Quarterly Unaudited Standalone and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

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

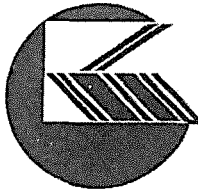
1. We have reviewed the accompanying Statement of unaudited standalone financial results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** for the quarter and half year ended September 30, 2022 and the Standalone Unaudited Balance Sheet and Cash Flow Statement as at September 30, 2022 (the "statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the Regulation) as amended, read with SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019 (the Circular).
2. This Statement, which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, read with the circular is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the statement in accordance with the Standards on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement is free from material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatements.

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

**Y. Venkateswarlu**  
Partner  
Membership No: 222068



Place: Hyderabad  
Date: November 14, 2022  
**UDIN: 2222068BCZMOE3230**



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KERNEX MICROSYSTEMS (INDIA) LIMITED

Unaudited CONSOLIDATED Statement of financial results for the quarter and half year ended 30th Sep, 2022

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

Particulars	Quarter ended			Half year ended		Year ended
	30-Sep-22	30-Jun-22	30-Sep-21	30-Sep-22	30-Sep-21	31-Mar-22
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	42.11	99.38	310.79	141.49	474.06	665.15
Other Income	23.25	11.08	20.41	34.32	34.92	170.94
<b>Total Income</b>	<b>65.36</b>	<b>110.45</b>	<b>331.20</b>	<b>175.81</b>	<b>508.98</b>	<b>836.09</b>
Expenses	-	-	-	-	-	-
Cost of materials consumed	43.94	77.77	16.80	121.71	177.64	278.62
Purchases of stock in trade	-	-	-	-	-	-
Changes in inventories of finished goods, work in progress and stock in trade	-3.84	-	165.29	-3.84	77.48	84.84
Employee benefit expense	190.79	146.05	154.46	336.84	307.02	625.86
Finance cost	66.10	60.60	108.27	126.70	162.92	329.47
Depreciation and amortization expense	35.76	31.99	31.60	67.75	70.80	143.68
Other expenses	186.42	125.48	144.38	311.90	335.86	617.08
<b>Total expenses</b>	<b>519.18</b>	<b>441.89</b>	<b>620.81</b>	<b>961.07</b>	<b>1,131.73</b>	<b>2,079.55</b>
<b>Profit/(loss) before extraordinary, exceptional items and tax</b>	<b>-453.82</b>	<b>-331.44</b>	<b>-289.61</b>	<b>-785.26</b>	<b>-622.75</b>	<b>-1,243.46</b>
Extraordinary Items	-	-	-	-	-	-
Exceptional Items	-	-	-	-	-	-442.58
<b>Profit/(loss) before tax</b>	<b>-453.82</b>	<b>-331.44</b>	<b>-289.61</b>	<b>-785.26</b>	<b>-622.75</b>	<b>-1,686.04</b>
Tax expense	-	-	-	-	-	-
(i) Current tax	-	-	-	-	-	-
(ii) Previous years tax	-	-	-	-	-	-
(ii) Deferred tax	8.81	3.22	8.81	12.03	14.26	35.11
<b>Net profit/(loss) for the period/year</b>	<b>-462.63</b>	<b>-334.65</b>	<b>-298.42</b>	<b>-797.29</b>	<b>-637.01</b>	<b>-1,721.16</b>
Attributable to	-	-	-	-	-	-
Shareholders of the Company	-462.63	-335.76	-299.48	-798.39	622.75	-1,719.85
Non controlling interest	-	-1.10	1.06	-1.10	14.26	-1.30
Other comprehensive income	-	-	-	-	-	-
A (i) Items that will not be reclassified to Statement of Profit and loss	-	-	-	-	-	-13.62
(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	21.63	16.22	23.61	37.85	46.82	88.43
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss	-	-	-	-	-	-
<b>Total comprehensive Income</b>	<b>-441.01</b>	<b>-320.64</b>	<b>-274.81</b>	<b>-761.65</b>	<b>46.82</b>	<b>-1,646.34</b>
Attributable to	-	-	-	-	-	-
Shareholders of the Company	-438.54	-319.54	-275.87	-758.08	-591.70	-1,645.04
Non controlling interest	-2.47	-1.10	1.06	-3.57	1.51	-1.30
Earnings per equity share (EPS)	-	-	-	-	-	-
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	1,379.97	1,379.97	1,249.97	1,379.97	1,249.97	1,249.97
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	(3.35)	(2.43)	(2.39)	(5.78)	(5.10)	(13.77)

*M. S. Saini*





**Notes:**

1. The above Un-Audited Consolidated Financial Results were reviewed and recommended by the Audit Committee are considered and approved by the Board of Directors at their meeting held on 14<sup>th</sup> November 2022. These results are as per Regulation 33 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No.C1R/CFD/FAC/62/2016 dated 05<sup>th</sup> July'16.
2. The Company operates in one reportable segment i.e. Safety Systems for Railways and hence segment reporting as per Ind AS-108 is not applicable.
3. These financials results have been prepared in accordance with the Ind AS notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015 as amended and other accounting principles generally accepted in India.
4. Figures for the previous periods have been regrouped/rearranged, wherever considered necessary, in line with the current period presentation.
5. The results for the quarter ended 30<sup>th</sup> September, 2022 are also available on websites of BSE Limited, National Stock Exchange of (India) Limited and on the Company's Website

Place **Hyderabad**

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

Date **14<sup>th</sup> November 2022**



*M.B. Narayana Raju*

**M.B.Narayana Raju**  
**Whole Time Director**  
**DIN: 07993925**





## KERNEX MICROSYSTEMS (INDIA) LIMITED

## Unaudited CONSOLIDATED Statement of Assets and Liabilities as at 30th Sep, 2022

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

Particulars	As at 30-Sep-22 Unaudited	As at 31-Mar-22 Audited
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, Plant and Equipment	2,526.77	2,548.25
Intangible assets	0.65	0.95
Financial assets	-	-
Other financial assets	530.09	13.43
Income tax Assets	285.10	260.99
<b>Total non-current assets</b>	<b>3,342.60</b>	<b>2,823.61</b>
	-	-
<b>Current assets</b>		
Inventories	717.77	715.10
Financial assets	-	-
Trade receivables	947.30	1,085.06
Cash and cash equivalents	571.51	657.33
Other bank balances	2,068.77	1,283.98
Other financial assets	204.23	204.54
Other current assets	737.70	983.43
<b>Total current assets</b>	<b>5,247.27</b>	<b>4,929.44</b>
	-	-
<b>TOTAL ASSETS</b>	<b>8,589.88</b>	<b>7,753.06</b>
	-	-
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	1,379.97	1,249.97
Other equity	3,589.15	3,573.30
<b>Equity attributable to Shareholders of the Company</b>	<b>4,969.11</b>	<b>4,823.26</b>
Non-controlling interests	4.79	9.05
<b>Total Equity</b>	<b>4,973.91</b>	<b>4,832.31</b>
	-	-
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities	-	-
Borrowings	40.86	-
Deferred tax liabilities	87.83	75.80
Other Non-current liabilities	-	-
Provisions	19.98	19.98
<b>Total Non-current liabilities</b>	<b>148.68</b>	<b>95.79</b>
	-	-
<b>Current liabilities</b>		
Financial liabilities	-	-
Borrowings	2,650.51	1,805.36
Trade Payables	-	-
Dues of small enterprises and micro enterprises	0.33	27.22
Dues of creditors other than small enterprises and micro enterprises	110.84	149.36
Other financial liabilities	15.48	2.46
Other current liabilities	690.13	840.56
Provisions	-	-
<b>Total current liabilities</b>	<b>3,467.29</b>	<b>2,824.96</b>
	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,589.88</b>	<b>7,753.06</b>

M. S. D. S. D.





## KERNEX MICROSYSTEMS (INDIA) LIMITED

## CONSOLIDATED Statement of Cash Flows for the half year ended 30th Sep, 2022

(Amount

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

Particulars	30-Sep-22	31-Mar-22
<b>Cash flows from operating activities</b>		
Profit / (Loss) before tax	-785.26	-1,686.04
<b>Adjustments to reconcile net loss to net cash provided by operating activities</b>	-	-
Depreciation and amortisation	67.75	143.68
Foreign Currency translation reserve	19.86	-25.11
Written off / Provision for obsolete stock	-	-
Sundry balances written off	-	-
Provision for Doubtful Advances	1.21	-
Provision for expected credit loss	-	-
Provision for slow/non moving stocks	-	-
Liabilities no longer required written off	-11.04	-
(Profit) / Loss on sale of Fixed assets	-	-75.39
Receivable on sale of fixed asset written off	-	442.58
Finance costs	126.70	329.47
Interest income	-44.87	-91.25
<b>Changes in assets and liabilities</b>	-	-
Trade receivables	137.75	113.02
Inventories	-2.67	119.56
Other assets	-391.73	418.88
Trade payables	-65.42	-63.00
Other liabilities	137.41	-87.75
<b>Net cash flow from operating activities (A)</b>	<b>-810.29</b>	<b>-461.37</b>
	-	-
<b>Cash flows from investing activities</b>	-	-
Sale of Fixed Assets	-	553.69
Purchase of property, plant and equipment	-	-15.76
Interest received	44.87	91.25
<b>Net cash flow used in investing activities (B)</b>	<b>44.87</b>	<b>629.18</b>
	-	-
<b>Cash flow from financing activities</b>	-	-
Proceeds from issuance of equity share capital	1,469.00	-
Proceeds from Share application money	-552.00	552.00
(Repayment)/Increase of long term borrowings	845.15	-219.27
Finance costs	-126.70	-329.47
<b>Net cash flow (used in)/from financing activities (C)</b>	<b>1,635.45</b>	<b>3.26</b>
	-	-
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>870.02</b>	<b>171.07</b>
Cash and Bank Balances at the beginning of the year	1,770.25	1,770.25
<b>Cash and cash equivalents at the end of the year</b>	<b>2,640.27</b>	<b>1,941.32</b>
	-	-

M. S. Dasgupta





**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.**

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

5. We have reviewed the accompanying Statement of Consolidated unaudited financial results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** ("the Parent") its Subsidiaries and Joint Ventures (Controlled entity) (the Parent, Subsidiaries and its Joint Ventures together referred to as "the Group") for the quarter and half year ended September 30, 2022 and the Consolidated Unaudited Balance Sheet and Cash Flow Statement as at September 30, 2022 (the "statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("the Regulation") as amended, read with SEBI Circular No.CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").
6. This Statement, which has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India, read with the circular is the responsibility of the Parent's Management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
7. We conducted our review of the statement in accordance with the Standards on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

8. The Statement includes the results of the following entities.

**Holding Company**

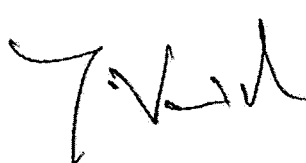
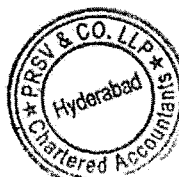
Kernex Microsystems (India) Limited

**Wholly owned subsidiary**

Avant-Garde Infosystems Inc

**Controlled entity (Joint Venture)**

Kernex TCAS JV



9. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 and 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatements.
10. We did not review the interim financial results of 1 wholly owned subsidiary included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 0.01 Lakhs and Rs. 0.02 Lakhs, total net profit/(loss) after tax of Rs. (37.81) Lakhs and Rs. (65.41) Lakhs for the quarter ended September 30, 2022, and for the period from April 30, 2022, to September 30, 2022, respectively, as considered in the consolidated unaudited financial results. These interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of the wholly owned subsidiary is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.
11. We did not review the interim financial results of 1 Joint venture (Controlled entity) included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs. 16.05 Lakhs and Rs. 103.43 Lakhs, total net profit/(loss) after tax of Rs. (12.33) Lakhs and Rs. (17.85) Lakhs and total comprehensive income of Rs. (12.33) Lakhs and Rs. (17.85) Lakhs for the quarter ended September 30, 2022, and for the period from April 30, 2022, to September 30, 2022, respectively, for the period from April 30, 2022, to September 30, 2022, as considered in the consolidated unaudited financial results in respect of 1 Joint venture (Controlled entity) based on their interim financial statements/ financial information/ financial results which have not been reviewed/audited by their auditors. According to the information and explanations given to us by the Management, these interim financial statements / financial information / financial results are not material to the Group
12. The wholly owned subsidiary is located outside India i.e USA whose financial results and other financial information have been compiled by a CPA in accordance with accounting principles generally accepted in USA. The Holding Company's management has converted the financial results of wholly owned subsidiary located in USA from accounting principles generally accepted in USA to accounting principles generally accepted in India. Our opinion in so far as it relates to the balances and affairs of such subsidiary located in USA is based on the report of the Certified Public Accountant and conversion adjustments prepared by the management of the Holding Company.

**For PRSV & Co.LLP**

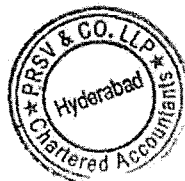
Chartered Accountants

Firm Registration No: S200016

**Y. Venkateswarlu**

Partner

Membership No: 222068



Place: Hyderabad

Date: November 14, 2022

**UDIN: 2222068BCZMQK9353**