



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

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Website : www.kernex.in



Registered Office :

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

KMIL: SE:OC:23-24:079

14th November 2023

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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Dear Sir / Madam,

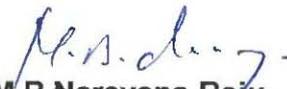
Sub: Submission of unaudited financial results of the company, statement of Assets and Liabilities and Cash Flow Statements as per provisions of SEBI (LODR) Regulations, 2015.

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 30th September, 2023.
- Limited Review Report on un-audited Standalone and Consolidated Financial results of the Company for the second quarter ended on 30th September 2023 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





KERNEX MICROSYSTEMS (INDIA) LIMITED						
Unaudited STANDALONE Statement of financial results for the Half year ended 30 Th Sep 2023						
(All amounts in Indian Rupees in Lakhs , except share data and where otherwise stated)						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income						
Revenue from operations	82.42	96.27	40.56	178.69	131.37	200.36
Other Income	41.62	64.29	35.31	105.91	57.33	130.62
Total income	124.03	160.56	75.86	284.60	188.69	330.99
Expenses						
Cost of materials consumed	553.97	638.21	43.94	1,192.18	121.71	254.16
Purchases of stock in trade	-	-	-	-	-	-
Changes in inventories of finished goods, work in progress and stock	-700.24	-986.79	-3.84	-1,687.03	-3.84	-132.88
Employee benefit expense	257.14	233.08	178.79	490.22	312.84	749.72
Finance cost	35.46	20.05	45.29	55.51	89.99	197.94
Depreciation and amortization expense	55.69	62.31	35.74	117.99	67.70	238.62
Other expenses	305.18	272.52	179.62	577.70	302.29	961.50
Total expenses	507.20	239.37	479.54	746.57	890.70	2,269.06
Profit/(loss) before extraordinary, exceptional items and tax	-383.17	-78.81	-403.68	-461.97	-702.00	-1,938.07
Extraordinary items						
Exceptional items						
Profit/(loss) before tax	-383.17	-78.81	-403.68	-461.97	-702.00	-1,938.07
Tax expense						
(i) Current tax						
(ii) Previous years tax						
(iii) Deferred tax	43.04	7.56	8.81	50.60	12.03	47.65
Net profit/(loss) for the year	-426.20	-86.37	-412.49	-512.57	-714.03	-1,985.72
Other comprehensive income						
Items that will not be reclassified to Statement of Profit and loss						
(i) Remeasurement gains/(losses) of the defined benefit plans						-0.88
(ii) Income tax effect on the above						
B (i) Items that will be reclassified to Statement of Profit and loss						
(ii) Income tax relating to items that will be reclassified to						
Total comprehensive income for the year	-426.20	-86.37	-412.49	-512.57	-714.03	-1,986.60
Earnings per equity share (EPS)						
Paid up Equity Share Capital (Face value of Rs.10/- each per equity)	1,545.94	1,545.94	1,379.97	1,545.94	1,379.97	1,545.94
Basic Earnings per share of Rs.10/- each (not annualised) Rs.	(2.76)	(0.56)	-2.99	(3.32)	(5.17)	-14.67
Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	(2.76)	(0.56)	-2.99	(3.32)	(5.17)	-14.67

See accompanying notes to the financial statements

- The above Un- Audited Standalone Financial Results are reviewed and recommended by the Audit Committee are considered and approved by the Board of Directors their meeting held on 14 Th November 2023. 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 Th Jul'16. The Statutory Auditors of the company have carried out a Limited Review of the aforesaid Results.
- The Company Operates on one reportable Segment.i.e Safety Systems for Railways and hence segment reporting as per Ind AS-108 is not applicable.
- These Financial 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 generally accepted in India.
- Figures for previous periods have been regrouped/rearranged, wherever considered necessary , inline with the current period presentation.
- The Results for the quarter ended 30 th September, 2023 are also available on websites of BSE Limited, National Stock Exchange Limited and on the company's website.

Hyderabad
14th November'2023

FOR AND BEHALF OF THE BOARD OF DIRECTORS

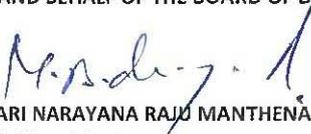
M. S. Raju
BADARI NARAYANA RAJU MANTHENA
 Whole Time Director
 DIN 07993925



KERNEX MICROSYSTEMS (INDIA) LIMITED		
Un-Audited STANDALONE Statement of Assets and Liabilities as at 30 Sep 2023		
<i>(All amounts in Indian Rupees in Lakhs , except share data and where otherwise stated)</i>		
Particulars	As at 30-Sep-23	As at 31-Mar-23
ASSETS		
Non-current assets		
Property, Plant and Equipment	2238.09	2372.95
Capital work-in-progress	31.30	
Intangible assets	.79	.35
Financial assets		
Investments	1283.97	1283.97
Other financial assets	41.84	12.92
Deffered tax assets (net)		
Income tax Assets	285.44	277.83
Total non-current assets	3881.42	3948.03
Current assets		
Inventories	3061.36	1222.20
Financial assets		
Trade receivables	833.53	937.79
Cash and cash equivalents	7.10	11.26
Other bank balances	1736.61	3202.35
Other financial assets	22.53	10.51
Other current assets	2134.17	1813.26
Total current assets	7795.31	7197.36
TOTAL ASSETS	11676.73	11145.39
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	1545.94	1545.94
Other equity	7159.55	7683.12
Total Equity	8705.49	9229.07
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	40.31	47.55
Provisions	42.88	35.30
Deferred tax liabilities	174.05	123.45
Other Non-current liabilities	-	-
Total Non-current liabilities	257.23	206.30
Current liabilities		
Financial liabilities		
Borrowings	1680.54	819.43
Trade Payables		
Dues of small enterprises and micro enterprises	95.51	.10
Dues of creditors other than small enterprises and micro enterprises	451.02	317.23
Other financial liabilities	430.37	404.62
Other current liabilities	56.57	168.63
Provisions		
Total current liabilities	2714.01	1710.03
TOTAL EQUITY AND LIABILITIES	11676.73	11145.39

Hyderabad
14th November'2023

FOR AND BEHALF OF THE BOARD OF DIRECTORS


BADARI NARAYANA RAJU MANTHENA
Whole Time Director
DIN 07993925





KERNEX MICROSYSTEMS (INDIA) LIMITED		
Statement of Cash Flows for the half year ended 30 Sep, 2023		
<i>(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)</i>		
Particulars	30 September 2023	31 March 2023
Cash flows from operating activities		
Profit / (loss) before tax	-461.98	-1938.07
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortisation	118.00	238.62
Foreign currency translation gain / (loss)	10.29	120.61
Written off / provision for obsolete stock	-	-
Sundry balances written off	-	-
Provision for doubtful debts/advances/written off	159.48	26.68
Provision for expected credit loss	-	-
Provision for Gratuity	7.58	14.43
Liabilities no longer required written off	-	-11.04
(Profit) on disposal of property, plant and equipment	-	-
Receivable on sale of fixed asset written off	-	-
Expenses for sale of land	-	-
Finance costs	55.51	197.94
Interest income	-104.61	-53.00
Other non operating income	-	-
Changes in assets and liabilities		
Decrease /(Increase) in Trade receivables	-55.22	200.03
Decrease /(Increase) in Inventories	-1839.16	-507.10
Decrease /(Increase) in Other Financial Assets	-40.94	-
Decrease /(Increase) in Income tax assets	-7.61	-
Decrease /(Increase) in Other assets	-320.92	-1112.96
(Decrease)/ Increase in Trade payables	218.89	.80
(Decrease)/ Increase in Provisions	-	-14.43
(Decrease)/ Increase in Other Financial and Other current liabilities	-86.31	-151.08
Net cash flow from operating activities A	-2347.00	-2988.58
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	22.13	-
Payment for Purchase of Property, Plant & Equipment and capital work in Progress	-36.00	-69.12
Investment in 100% WOS	-	-480.19
Investment in JV	-	-
Payment for Intangible Assets	-.99	-
Other non operating income	-	-
Interest income	104.61	53.00
Net cash flow used in investing activities B	89.75	-496.31
Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	5331.98
Proceeds from Share application money	-	-
Expenses incurred on Increase of Share Capital	-11.00	-
(Repayment)/ Receipt of borrowings	853.86	-327.78
Finance costs	-55.51	-197.94
Net cash flow (used in)/from financing activities C	787.36	4806.26
Net increase in cash and cash equivalents (A+B+C) A+B+C	-1469.89	1321.37
Cash and bank balances at the beginning of the year	3213.60	1892.23
Cash and cash equivalents at the end of the year	1743.71	3213.60

Hyderabad
14th November'2023



FOR AND BEHALF OF THE BOARD OF DIRECTORS

M.S. de - 7
BADARI NARAYANA RAJU MANTHENA
Whole Time Director
DIN 07993925

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, 2023 and the standalone unaudited Balance Sheet and Cash Flow Statement as at September 30, 2023 (the "statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion 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 stated 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 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations including the manner in which it is to be disclosed, or that it contain any material misstatement.

Emphasis of Matter

We draw attention to Note No 4 to the Statement, which describes that the Company has assessed the recoverability and impairment of certain financial assets, namely Trade Receivables of Rs. 834.00 lakhs (including Rs. 302.62 lakhs from related party), income tax assets of Rs. 285.44 lakhs and margin money/security deposits of Rs. 1736.60 lakhs secured for customer guarantees under various stages of contract execution / negotiation / arbitration. Such assessments are based on current facts and

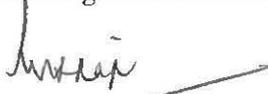
circumstances and may not necessarily reflect future uncertainties and events and the final recoverable amount may vary for the reasons mentioned therein.

Our conclusion is not modified in respect of the above matter.

For PRSV & Co. LLP

Chartered Accountants

Firm Registration No: S200016



Raja Praturi

Partner

Membership No: 020615



Place: Hyderabad

Date: 14th November 2023

UDIN: 23020615BGYNOD6313



KERNEX MICROSYSTEMS (INDIA) LIMITED						
Un Audited CONSOLIDATED Statement of Profit and Loss for the Half year ended 30 Sep 2023						
(All amounts in Indian Rupees in lakhs, except share data and where otherwise stated)						
Particulars	Quarter Ended			Half Year Ended		Year Ended
	Q2	Q1	Q2	H1	H1	
	30-Sep-23	30-Jun-23	30-Sep-22	30-Sep-23	30-Sep-22	31-Mar-23
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	140.83	96.27	42.11	237.10	141.49	403.96
Other Income	26.00	46.64	23.25	72.64	34.32	78.23
Total income	166.83	142.91	65.36	309.74	175.81	482.18
Expenses						
Cost of materials consumed	558.51	604.30	43.94	1162.82	121.71	415.07
Changes in inventories of finished goods, work in progress and stock in trade	-700.24	-986.79	-3.84	-1687.03	-3.84	-132.88
Employee benefit expense	272.01	245.08	190.79	517.09	336.84	797.72
Finance cost	39.65	21.05	66.10	60.71	126.70	82.14
Depreciation and amortization expense	55.71	62.33	35.76	118.04	67.75	238.71
Other expenses	351.65	283.31	186.42	634.97	311.90	1035.82
Total expenses	577.30	229.28	519.18	806.58	961.07	2436.57
Share of Profit/(loss) of Joint venture						
Profit/(loss) before extraordinary, exceptional items and tax	-410.47	-86.37	-453.82	-496.84	-785.26	-1954.38
Extraordinary Items						
Exceptional items						.00
Profit/(loss) before tax	-410.47	-86.37	-453.82	-496.84	-785.26	-1954.38
Tax expense						
(i) Current tax						
(ii) Previous years tax						
(iii) Deferred tax	43.04	7.56	8.81	50.60	12.03	47.65
Net profit/(loss) for the year	-453.51	-93.93	-462.63	-547.44	-797.29	-2002.03
Attributable to						
Shareholders of the Company	-441.08	-88.33	-460.16	-529.41	-798.39	-1981.52
Non controlling interest	-12.43	-5.60	-2.47	-18.03	-1.10	-20.51
Other compressive income						
A (i) Items that will not be reclassified to Statement of Profit and loss						-88
(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	13.94	-14.42	21.63	-47	37.85	38.96
(ii) Income tax relating to items that will be reclassified to Statement of Profit and loss						
Total compressive income	-439.56	-108.35	-441.01	-547.91	-761.65	-1963.94
Attributable to						
Shareholders of the Company	-427.13	-102.75	-438.54	-529.88	-758.08	-1943.43
Non controlling interest	-12.43	-5.60	-2.47	-18.03	-3.57	-20.51
Earnings per equity share (EPS)						
Paid up Equity Share Capital (Face value of Rs.10/- each per equity share)	1,545.94	1,545.94	1,379.97	1,545.94	1,379.97	1,545.94
Basic and Diluted Earnings per share of Rs.10/- each (not annualised) Rs.	-2.76	-0.66	-3.35	-3.43	-5.78	-14.67

Notes to the Consolidated Financial Statements.

- 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 14th November' 2023. 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 05th July'16. The Statutory Auditors of the Company have carried out a Limited Review of the aforesaid results.
- 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.
- 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.
- Figures for the previous periods have been regrouped/rearranged, wherever considered necessary, in line with the current period presentation
- The results for the quarter ended 30th September, 2023 are also available on websites of BSE Limited, National Stock Exchange of (India) Limited and on the Company's Website
- The Consolidated Results of Company is including the Results of 100% wholly owned subsidiary namely Avant-Garde Infosystems, Inc and another Joint venture company TICAS JV (80% share is owned by Kernex Micro Systems India Limited.

Hyderabad
14th November'2023



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

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



KERNEX MICROSYSTEMS (INDIA) LIMITED			
Un Audited CONSOLIDATED Statement of Assets and Liabilities as at 30 Sep 2023			
(All amounts in Indian Rupees in lakhs , except share data and where otherwise stated)			
Particulars		As at	As at
		30-Sep-23	31-Mar-23
		UnAudited	Audited
ASSETS			
Non-current assets			
Property, Plant and Equipment		2238.09	2372.95
Capital work-in-progress		31.30	
Intangible assets		.79	.35
Financial assets		.00	-
Investments		-	-
Other financial assets		243.69	214.77
Deffered tax assets (net)		-	-
Income tax Assets		285.44	277.83
Total non-current assets		2799.30	2865.91
Current assets			
Inventories		3061.36	1222.20
Financial assets		-	-
Trade receivables		776.01	914.70
Cash and cash equivalents		129.66	29.41
Other bank balances		1755.64	3231.89
Other financial assets		22.71	.18
Other current assets		2195.51	1899.96
Total current assets		7940.88	7298.33
TOTAL ASSETS		10740.18	10164.23
EQUITY AND LIABILITIES			
Equity			
Equity Share capital		1545.94	1545.94
Other equity		6127.70	6667.21
Equity attributable to Shareholders of the Company		7673.64	8215.15
Non-controlling interests		-30.18	-12.14
Total Equity		7643.47	8203.01
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings		40.31	47.55
Provisions		-	-
Deferred tax liabilities		174.05	123.45
Other Non-current liabilities		-	-
Provisions		42.88	35.30
Total Non-current liabilities		257.23	206.30
Current liabilities			
Financial liabilities			
Borrowings		2084.55	1022.61
Trade Payables		-	-
Dues of small enterprises and micro enterprises		95.51	.10
Dues of creditors other than small enterprises and micro		353.47	33.17
Other financial liabilities		239.63	524.62
Other current liabilities		66.32	174.42
Provisions		-	-
Total current liabilities		2839.48	1754.93
TOTAL EQUITY AND LIABILITIES		10740.18	10164.23

14th November'2023



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

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



KERNEX MICROSYSTEMS (INDIA) LIMITED		
CONSOLIDATED Statement of Cash Flows for the half year ended 30 September , 2023		
(All amounts in Indian Rupees in Lakhs, except share data and where otherwise stated)		
Particulars	30-Sep-23	31-Mar-23
Cash flows from operating activities		
Profit / (Loss) before tax	-496.84	-1954.73
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortisation	118.04	238.71
Foreign Currency translation reserve	9.82	120.61
Provision for Dobtful Debts	159.48	.00
Provision for Doubtful Advances	-	210.15
Provision for expected credit loss	-	-
Provision for Gratuity	7.58	-
Liabilities no longer required written off	-	-11.04
(Profit) / Loss on sale of Fixed assets		
Receivable on sale of fixed asset written off		
Finance costs	60.71	78.02
Interest income	-70.96	.00
Changes in assets and liabilities		
Decrease /(Increase) in Trade receivables	-20.78	170.36
Decrease /(Increase) in Inventories	-1839.16	-690.23
Decrease /(Increase) in Other Current assets	-295.55	-722.68
Decrease /(Increase) in Current and non Current Financial Assets	-40.94	3.03
Decrease /(Increase) in Income tax Assets	-7.61	-16.85
(Decrease)/ Increase in Trade payables	405.34	140.75
(Decrease)/ Increase in Other Financial and Other current liabilities	-393.09	-330.59
(Decrease)/ Increase in Provisions	.00	15.32
Net cash flow from operating activities (A)	-2403.98	-2749.18
Cash flows from investing activities		
Sale of Fixed Assets	22.13	-
Payment for Purchase of Property, Plant& Equipment and capital work in Progress	-36.60	-69.12
Payment for Intangible Assets	-.99	-
Interest received	70.96	-
Net cash flow used in investing activities (B)	55.49	-69.12
Cash flow from financing activities		
Proceeds from issuance of equity share capital	-	5331.98
Expenses incurred on Increase of Share Capital	-11.00	-
(Repayment)/ Receipt of borrowings	1054.70	-1126.19
Finance costs	-60.71	-78.02
Net cash flow (used in)/from financing activities (C)	982.99	4127.77
Net increase in cash and cash equivalents (A+B+C)	-1365.49	1309.47
Cash and Bank Balances at the beginning of the year	3250.78	1941.32
Cash and cash equivalents at the end of the year	1885.29	3250.78

Hyderabad
14th November'2023



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

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

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

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

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **KERNEX MICROSYSTEMS (INDIA) LIMITED** (The Parent”) and its subsidiary and Joint venture (The parent, the subsidiary and the Joint venture together referred to as the “Group”) for the quarter and half year ended September 30, 2023 and the unaudited consolidated Balance Sheet and Cash Flow Statement as at September 30, 2023 (“the statement”), being submitted by the Parent Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations”).
2. This Statement, which is the responsibility of the parent’s management and approved by the parent Company’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion 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 the 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.

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

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

<u>Holding/Parent Company:</u>	Kernex Microsystems (India) Ltd
<u>Wholly owned subsidiary:</u>	Avant-Garde Infosystems Inc., USA
<u>Controlled entity (Joint Venture):</u>	Kernex TCAS JV

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the aforesaid Accounting Standards prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder 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.



Emphasis of Matter

We draw attention to Note No 4 to the Statement, which describes that the Company has assessed the recoverability and impairment of certain financial assets, namely Trade Receivables of Rs. 873.54 lakhs (including Rs. 302.62 lakhs from related party), income tax assets of Rs. 285.44 lakhs and margin money/security deposits of Rs. 1736.60 lakhs secured for customer guarantees under various stages of contract execution / negotiation / arbitration. Such assessments are based on current facts and circumstances and may not necessarily reflect future uncertainties and events and the final recoverable amount may vary for the reasons mentioned therein.

Our conclusion is not modified in respect of the above matter.

Other Matter

1. We did not review the interim financial information of one wholly owned subsidiary situated in USA and included in the unaudited consolidated financial results, whose unaudited interim financial information reflect total assets of Rs. 941.83 lakhs as at September 30,2023; revenues of Rs. 53.86 lakhs and Rs. 217.12 lakhs, total net profit after tax of Rs. 34.86 lakhs and Rs. 55.30 lakhs and total comprehensive income of Rs. 34.86 lakhs and Rs. 55.30 lakhs for the quarter ended & half year ended September 30, 2023, and cash flows (net) of Rs. 117.08 lakhs for the half year ended September 30,2023 as considered in the statement. This interim financial information has not been reviewed by us nor any other auditor. These interim financial statements are furnished by the management after conversion to Indian Rupee from USD and our conclusion 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 management and the procedures performed by us as stated above.
2. The statement also includes interim financial information of one Joint Venture (Controlled Entity) whose unaudited interim financial information reflects total assets of Rs. 351.88 lakhs as on September 30, 2023; revenues of Rs. Nil and Rs. Nil and net profit/(loss) after tax of Rs. 67.76 lakhs and Rs. (90.17) lakhs and total comprehensive income/(loss) of Rs. 67.76 lakhs and Rs. (90.17) lakhs for the quarter & half year ended September 30, 2023, and cash flows (net) of Rs. (-) 12.67 lakhs for the half year ended September 30, 2023 as considered in the unaudited consolidated financial statements. These interim financial results and other financial information were the subject of limited review by the other auditors and our opinion 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 that unaudited financial statement/financial information subjected to limited review by the other auditors and furnished by the Management.

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


Raja Praturi
Partner

Membership No. 020615



Place: Hyderabad
Date: 14th November 2023

UDIN: 23020615BGYN0E8426