Kernex Microsystems (India) Limited (KERNEX)

NSE · Technology · Software - Application

ADVISORY SIGNAL
SELL

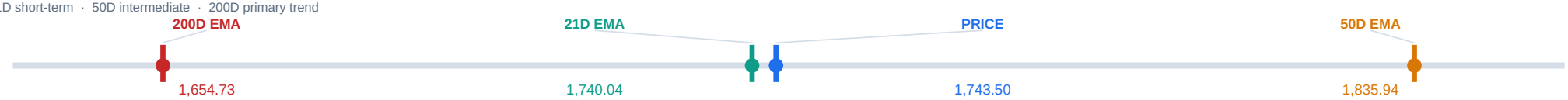
Advisory baseline SELL · Technical snapshot SELL

PRICE NOW	SIGNAL PRICE	VS ADVISED	MARKET CAP	P/E	ROE	SALES GROWTH	EARNINGS GROWTH
Rs.1,743.50	Rs.1,918.70	-11.2%	Rs.2,930 Cr	15.4x	N/A	8.0%	13.7%

EMA TREND MAP

21D short-term · 50D intermediate · 200D primary trend

21D +0.2% | 50D -5.0% | 200D +5.4%



INVESTMENT CASE

Company: Kernex Microsystems (India) Limited (KERNEX) Exchange: NSE, India Sector / Industry: Technology / Software - Application Signal change: SELL -> SELL at event price Rs.1,918.7; current technical decision remains SELL because the original stop-loss was triggered. Based only on the supplied evidence, this is a specialized rail-safety technology and services business with exposure to railway safety systems, embedded software, and related engineering services. The business appears to operate in a niche with potentially…

BUSINESS / MOAT

Kernex Microsystems (India) Limited, together with subsidiaries, engages in: manufacture and sale of safety systems and software services for railways operations in India, Egypt, the United States, and internationally…

Moat view: From the business description, potential moat sources could include: domain expertise in railway safety systems safety-critical product certification / qualification requirements installed base and switching costs integration…

CATALYSTS / RED FLAGS

Catalysts: Specialized rail-safety and railway software/product portfolio International presence mentioned in the business summary Positive revenue and…

Red flags: Specialized rail-safety and railway software/product portfolio International presence mentioned in the business summary Positive revenue and…

DECISION CHECKLIST

PASS **SIGNAL ALIGNMENT**
Advisory SELL; technical engine SELL.

FAIL **PRIMARY TREND**
Price/EMA structure is not confirmed.

PASS **VOLUME SUPPORT**
Participation confirms the move.

PASS **WEEKLY MOMENTUM**
Latest weekly trend is advancing.

PASS **GROWTH**
Sales 8.0%; earnings 13.7%.

UNKNOWN **MARGIN TREND**
Operating margin N/A; change N/A.

UNKNOWN **ROCE / QUALITY**
ROCE N/A; change N/A.

PASS **BALANCE SHEET**
Debt/equity 0.66x.

WATCH **VALUATION**
P/E 15.4x; compare with growth and peers.

REVIEW **MOAT EVIDENCE**
From the business description, potential moat sources could include: domain expertise in railway safety…

REVIEW **SECTOR / PEERS**
The company is classified as: Sector: Technology Industry: Software - Application However, the business…

REVIEW **EVIDENCE QUALITY**
Moderate for technical signal; limited for fundamentals; weak for moat and valuation confidence. What…

RISK / RETURN PLAN

RISK GRADE	Very High
LATEST PRICE	Rs.1,743.50
THESIS BREAK	N/A
DOWNSIDE TO BREAK	Not determinable
MINIMUM REWARD / RISK	Not determinable
2:1 REWARD HURDLE	N/A

EXPOSURE GUIDANCE

0% new exposure; review existing position for exit or reduction

MONITORING HORIZON

Until the next signal or thesis review; monitor at least weekly

PRICE SNAPSHOT

Captured ime unavailable IST via market data lookup.

Risk/reward is not determinable because a valid current price below/above a usable thesis-break level was not available.

SOURCES: Screener.in, Yahoo Finance fundamentals snapshot, Company website, The Globe and Mail

This research is AI-assisted and informational only; it is not investment advice. Verify primary filings and current market data before acting.

14 Oct 2026 03:32 IST

Kernex Microsystems (India) Limited (KERNEX) · SELL view

MACHINE FRAMEWORK

M — MEGA TAILWINDS & TRENDS

UNKNOWN - Not available in supplied evidence.

A — PRICE ACTION & VOLUME

UNKNOWN - Not available in supplied evidence.

C — COMPETITIVE ADVANTAGE - MOAT

UNKNOWN - Not available in supplied evidence.

H — HIGH ROCE - EMERGING & QUALITY

UNKNOWN - Not available in supplied evidence.

I — IMPROVEMENTS IN COMPANY

UNKNOWN - Not available in supplied evidence.

N — COMPANY GETTING INTO MORE THINGS

UNKNOWN - Not available in supplied evidence.

E — EXECUTION / EARNINGS TRIGGERS

UNKNOWN - Not available in supplied evidence.

FUNDAMENTAL SCORECARD

PASS	SALES GROWTH	8.0%
PASS	EARNINGS GROWTH	13.7%
UNKNOWN	GROSS MARGIN	N/A
UNKNOWN	OPERATING MARGIN	N/A
UNKNOWN	MARGIN CHANGE	N/A
UNKNOWN	ROCE	N/A
UNKNOWN	RETURN ON EQUITY	N/A
PASS	DEBT / EQUITY	0.66x
WATCH	P / E	15.4x

4-YEAR FINANCIAL TREND

METRIC	-	-	-	-
REVENUE	N/A	N/A	N/A	N/A
SALES GROWTH	N/A	N/A	N/A	N/A
OP MARGIN	N/A	N/A	N/A	N/A
NET MARGIN	N/A	N/A	N/A	N/A
EARNINGS GROWTH	N/A	N/A	N/A	N/A
ROCE	N/A	N/A	N/A	N/A
DEBT / EQUITY	N/A	N/A	N/A	N/A

VALUATION / EXPECTATIONS

P/E: 15.36x P/B: 11.79x Market cap: Rs.29.30bn On earnings, the stock does not look extreme relative to large-cap IT peers in the supplied set. But that comparison is imperfect because Kernex is not a standard IT services company. On book value, the stock appears…

SCENARIOS & DELIVERY

BULL

Kernex continues to win and execute rail-safety projects. Growth remains positive and earnings compound faster than revenue. The market rewards the niche specialization with a…

BASE

The company remains a niche rail-safety operator with moderate growth. Valuation stays elevated relative to book value but does not expand materially. Leverage remains a…

BEAR

The stop-loss breach reflects a broader deterioration in price trend. Growth slows or proves uneven. High leverage becomes more problematic. The market de-rates the stock because…

MANAGEMENT DELIVERY AUDIT

No verifiable management commitments were available in curated annual reports.

CATALYSTS / RISKS

Catalysts: Specialized rail-safety and railway software/product portfolio International presence mentioned in the business summary Positive revenue…

Risks: SELL signal remains active Stop-loss breached Trend validity = false Debt/equity = 65.52, which is high in the supplied context P/B =…

THESIS BREAK / MONITOR

The bullish or constructive thesis would be weakened if any of the following occur: price remains below key technical support and fails to recover trend validity revenue or earnings growth decelerates materially leverage worsens…

EVIDENCE QUALITY & DATA GAPS

Moderate for technical signal; limited for fundamentals; weak for moat and valuation confidence. What is reasonably supported: company identity and business description current technical signal and stop-loss breach basic valuation and leverage snapshot a set of recent headlines What is not well supported: profitability quality cash generation balance-sheet structure customer concentration backlog / order book recurring…

SOURCE LINKS

Screener.in · screener.in

Yahoo Finance fundamentals… · finance.yahoo.com

Company website · kernex.in

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