



# KERNEX MICROSYSTEMS (INDIA) LTD.

(AN ISO-9001 : 2008 CERTIFIED COMPANY)

Phone : +91-40-23113192-94

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Email : rajulv@kernex.in

: kernex@kernex.in

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Registered Office :

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

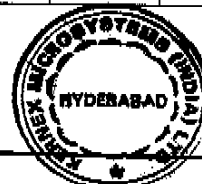
File No. \_\_\_\_\_

Date \_\_\_\_\_

## KERNEX MICROSYSTEMS (INDIA) LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE HALFYEAR ENDED 30th SEPTEMBER 2010 (Rs In Lakhs)

Sl.No.	Particulars	UNAUDITED STAND ALONE		UNAUDITED STAND ALONE		AUDITED Year ended 31.03.2010
		3 months ended 30-09-2010	3 months ended 30-09-2009	6 months ended 30-09-2010	6 months ended 30-09-2009	
1	Sales					
	(a) Net Sales/Income from Operations	1,416.50	50.65	1,549.55	553.51	399.70
		1,416.50	50.65	1,549.55	553.51	399.70
2	Expenditure					
	a. Increase/decrease in stock in trade and work in progress	151.85	(23.09)	(43.80)	(63.12)	(343.83)
	b. Consumption of raw materials etc	490.15	69.12	634.90	216.19	534.16
	c. Purchase of traded goods	5.08	-	5.08	0.59	0.59
	d. Employees cost	179.50	202.90	343.32	394.42	673.81
	e. Depreciation	25.92	35.04	51.67	69.85	139.96
	f. Other expenditure	208.19	94.26	282.11	207.38	473.18
	g. Total	1,060.69	378.23	1,273.28	825.31	1,477.87
	(Any item exceeding 10% of the total expenditure to be shown separately)					
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	355.81	(327.58)	276.28	(271.80)	(1,078.17)
4	Other Income	37.85	61.62	82.92	140.64	257.60
5	Profit before interest & Exceptional Items (3+4)	393.66	(265.96)	359.20	(131.16)	(820.57)
6	Interest	51.76	59.33	116.13	110.94	236.93
7	Profit after interest but before Exceptional Items (5-6)	341.90	(325.29)	243.07	(242.10)	(1,057.50)
8	Exceptional Items					
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	341.90	(325.29)	243.07	(242.10)	(1,057.50)
10	Tax expense	49.57		49.57	30.86	(358.40)
11	Net Profit (+)/Loss (-) from Ordinary Activities after tax (9-10)	292.33	(325.29)	193.50	(272.96)	(699.10)
12	Extraordinary Item (net of tax expense Rs.....)					
13	Net Profit (+)/Loss(-) for the period (11-12)	292.33	(325.29)	193.50	(272.96)	(699.10)
14	Paid-up equity share capital (1,24,99,655 shares of ` 10 each aggregating to ` 12,49,96,550)	1,249.97	1,249.97	1,249.97	1,249.97	1,249.97
15	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	10,912.70	-	11,082.63
16	Earnings Per Share (EPS)	2.34	(2.60)	1.55	(2.18)	(5.59)
	(a) Basic and diluted EPS before Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized)					
	(b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized)					
17	Public shareholding					
	- Number of shares	6,188,629	5,578,232	6,188,629	5,579,332	5,883,207
	- Percentage of shareholding	49.51	44.64	49.51	44.64	47.07
	*Strike off whichever is not applicable					
18	Promoters and Promoter group Shareholding**					
	a) Pledged/Encumbered					
	-Number of Shares	-	-	-	-	-
	-Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group	-	-	-	-	-
	-Percentage of Shares(as a % of the total sharecapital of the Company	-	-	-	-	-
	b) Non-encumbered					
	-Number of Shares	6,311,026	6,920,423	6,311,026	6,920,423	6,616,448
	-Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group	100.00	100	100.00	100	100
	-Percentage of Shares(as a % of the total sharecapital of the Company	50.49	55.36	50.49	55.36	62.93



Project Division :

Rajvistas, # H, Avanthi Colony, Karkhana, Secunderabad - 500 009, A.P., INDIA.

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1. The above un-audited financial results were reviewed by the Audit Committee and taken on record by the Board of directors in their meeting held on 14.10.2010.
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 as such segment reporting as per AS-17 is not applicable.
4. The Company, pursuant to the share holders approval obtained in the 14th Annual General meeting, has redrawn its plans to carry on the expansion program, wherever required, as against plans mentioned in the prospectus dated December 6, 2005 in regard to scheduled time of completion, estimated amount and quantity.

The total amount spent out of the IPO proceeds up to 30<sup>th</sup> September 2010 is Rs. 8826.89 Lakhs as against the projected deployment of Rs 9901.11 Lakhs. The balance issue proceeds are placed with the Monitoring Agency.

5. Auditors have carried out limited review of the financial results for the quarter ended 30<sup>th</sup> September 2010 as required under clause 41 of the listing agreement.
6. Preliminary and preparatory works have been completed during the quarter and maintenance work is in progress in respect of the operation and comprehensive maintenance contract awarded to the company for the ACD networking systems supplied to the NF Railways. Further orders worth Rs.5.26 Crores have been received from Konkan Railways for repairs and restoration work of ACD System in NF Railways.

Factory acceptance tests having been completed for the automatic level crossing gates to be supplied to the Egyptian national railways (ENR), 41 Lx Control Systems complete with components have been supplied to ENR during the quarter. Balance 40 Lx Control Systems are expected to be supplied by December 2010. Further, additional orders for 55 Lx Control Systems have been received from ENR on 22.09.2010.

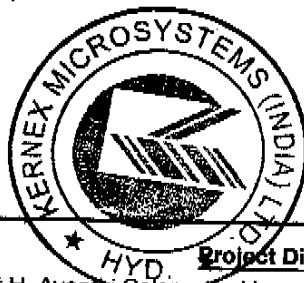
Konkan Railways have ordered trials on ACD on Railway Electrified and multiline corridor as a prelude for deployment of ACD systems for the three southern railway zones. The trials have been completed and the findings are under evaluation.

7. 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

Place: Hyderabad  
Date: 14.10.2010



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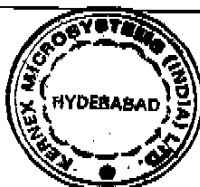
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## "Annexure IX

Date \_\_\_\_\_  
(Rs. In lakhs)

Particulars	6months ended (30.09.2010)	Corresponding 6 months ended in the previous year (30.09.2009)
	Audited/ Unaudited	Audited/ Unaudited
<b>SHAREHOLDERS' FUNDS:</b>		
(a) Capital	1249.96	1249.96
(b) Reserves and Surplus	11276.13	11508.77
<b>LOAN FUNDS</b>	1383.24	1206.85
<b>TOTAL</b>	<b>13909.33</b>	<b>13965.58</b>
<b>FIXED ASSETS</b>	7930.47	7891.35
<b>INVESTMENTS</b>	118.31	118.31
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	6787.16	7616.97
(a) Inventories	2030.42	1711.72
(b) Sundry Debtors	2331.33	2305.61
(c) Cash and Bank balance	1086.79	2305.61
(d) Other current assets	19.59	144.76
(e) Loans and Advances	1319.03	1024.41
<b>Less : Current Liabilities and Provisions</b>	<b>1287.81</b>	<b>1463.85</b>
(a) Liabilities	1287.81	1463.85
(b) Provisions	-	-
Net Current Assets	5499.4	6153.1
Deferred Tax Asset	361.2	2.8
<b>MISCELLANEOUS EXPENDITURE ( NOT WRITTEN OFF OR ADJUSTED)</b>	-	-
<b>PROFIT AND LOSS ACCOUNT</b>	-	-
<b>TOTAL</b>	<b>13909.33</b>	<b>13965.58</b>



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