



KERNEX MICROSYSTEMS (INDIA) LTD.

(AN ISO-9001 : 2008 CERTIFIED COMPANY)

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URL : http://kernex.in



Registered Office :

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

File No. _____

KERNEX MICROSYSTEMS (INDIA) LIMITED

Date _____

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE 2010

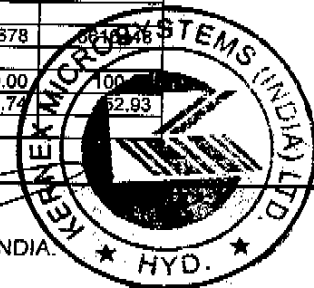
Rs. in Lakhs

| Sl.No. | Particulars | UNAUDITED | | AUDITED |
|--------|--|---------------------------|---------------------------|-----------------------|
| | | STAND ALONE | | |
| | | 3 months ended 30-06-2010 | 3 months ended 30-06-2009 | Year ended 31.03.2010 |
| 1 | Sales | | | |
| | (a) Net Sales/Income from Operations | 133.05 | 502.85 | 399.70 |
| | | 133.05 | 502.85 | 399.70 |
| 2 | Expenditure | | | |
| | a. Increase/decrease in stock in trade and work in progress | (198.36) | (40.03) | (343.83) |
| | b. Consumption of raw materials etc | 147.46 | 147.07 | 534.16 |
| | c. Purchase of traded goods | 0.00 | 0.59 | 0.59 |
| | d. Employees cost | 163.82 | 191.51 | 673.81 |
| | e. Depreciation | 25.75 | 34.81 | 139.96 |
| | f. Other expenditure | 73.93 | 113.12 | 473.18 |
| | g. Total | 212.60 | 447.07 | 1477.87 |
| | (Any item exceeding 10% of the total expenditure to be shown separately) | | | |
| | Profit from Operations before Other Income, Interest & Exceptional Items (1-2) | (79.55) | 55.78 | (1078.17) |
| 3 | Exceptional Items (1-2) | | | |
| 4 | Other Income | 45.89 | 79.01 | 257.60 |
| 5 | Profit before Interest & Exceptional Items (3+4) | (33.66) | 134.79 | (820.57) |
| 6 | Interest | 65.19 | 51.60 | 236.93 |
| 7 | Profit after interest but before Exceptional Items (5-6) | (98.85) | 83.19 | (1057.50) |
| 8 | Exceptional Items | 0.00 | 0.00 | 0.00 |
| 9 | Profit (+) / Loss (-) from Ordinary Activities before tax (7+8) | (98.85) | 83.19 | (1057.50) |
| 10 | Tax expense | 0.00 | 30.86 | (358.40) |
| 11 | Net Profit (+) / Loss (-) from Ordinary Activities after tax (9-10) | (98.85) | 52.33 | (699.10) |
| 12 | Extraordinary Item (net of tax expense Rs.....) | | | |
| 13 | Net Profit (+) / Loss (-) for the period (11-12) | (98.85) | 52.33 | (699.10) |
| 14 | Paid-up equity share capital | 1249.97 | 1249.97 | 1249.97 |
| | (1,24,99,655 shares of Rs.10 each aggregating to Rs.12,49,96,550) | | | |
| 15 | Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year | | | 11082.63 |
| 16 | Earnings Per Share (EPS) | (0.79) | 0.42 | (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 | 6117629 | 5531977 | 5883207 |
| | - Percentage of shareholding | 48.94 | 44.26 | 47.07 |
| | *Strike off whichever is not applicable | | | |
| 18 | Promoters and Promoter group Shareholding** | | | |
| | a) Pledged/Encumbered | | | |
| | -Number of Shares | 0.00 | 0.00 | 0.00 |
| | -Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group | 0.00 | 0.00 | 0.00 |
| | -Percentage of Shares(as a % of the total sharecapital of the Company | 0.00 | 0.00 | 0.00 |
| | b) Non-encumbered | | | |
| | -Number of Shares | 6382026 | 6967678 | 6249486 |
| | -Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group | 100.00 | 100.00 | 100.00 |
| | -Percentage of Shares(as a % of the total sharecapital of the Company | 51.06 | 55.74 | 52.93 |

Project Division :

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

Ph : (O) : +91-40-27747569, Fax : +91-40-27747540





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Notes:

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 13.08.2010.
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 and in one geographical segment i.e. with in India and 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 30th June 2010 is Rs. 8782.46 lacs as against the projected deployment of Rs 9901.11 lacs. 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 30th June 2010 as required under clause 41 of the listing agreement.
6. In respect of the operation and comprehensive maintenance contract awarded to the company for the ACD networking systems supplied to the NF Railways preliminary and preparatory works are in progress during the quarter and as such maintenance work could be carried out partially.

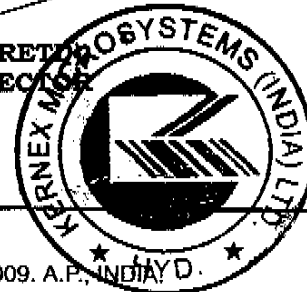
Factory acceptance test for the automatic level crossing gates to be supplied to the Egyptian national railways have been completed in June & July and dispatches started in August 2010.

As a prelude for deployment of ACD systems for the three southern railway zones, Konkan Railways have ordered trials on ACD advance features and the trials are planned by the company from 1st to 15th September 2010. Further decision by railway board will follow.

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.,

COLL.V.RAJU (RET)
 MANAGING DIRECTOR



Place: Hyderabad
 Date: 13.08.2010

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