

KERNEX MICROSYSTEMS (INDIA) LTD

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH SEPTEMBER, 2006				
PARTICULARS		UNAUDITED		AUDITED
		3 months ended 30/09/2006	6 months ended 30/09/2006	Year ended 31/03/2006
1	Gross Sales / Income from Operations	610.44	1,330.29	4,129.29
	Less : Excise Duty & Service Tax	58.76	134.30	456.45
	Net Sales / Income from Operations	551.68	1,195.99	3,672.84
2	Other Income	154.25	303.28	161.54
	Total Income	705.93	1,499.27	3,834.38
3	Total Expenditure			
	a.(Increase) / decrease in stock - in - trade	-	-	-
	b.Cost of sales and services	176.61	342.09	1,321.34
	c.Staff cost	155.09	293.54	499.29
	d.Other Expenditure	90.20	147.20	491.04
4	Interest	38.02	84.59	142.20
5	Depreciation	32.40	56.30	109.96
6	Profit (+)/Loss(-) before tax(1+2-3-4-5)	213.61	575.55	1,270.55
7	Provision for Taxation			
	- Current Tax	50.95	125.95	420.00
	- Deferred Tax	19.66	16.54	(16.66)
	- Fringe Benefit Tax	2.34	3.39	8.92
8	Net Profit (6-7)	140.66	429.67	858.29
9	Paid up Equity Share Capital (Face Value of Rs.10/- per share)	1,136.33	1,136.33	1,136.33
10	Reserves excluding revaluation reserves			11,163.00
11	Earnings per share (not annualised) - Basic	1.24	3.78	7.55
	- Diluted	-	-	9.93
12	Aggregate of Non-Promoter Shareholding			
	a. Number of Shares	4,675,329	4,675,329	4,675,329
	b. Percentage of Shareholding (%)	41.14	41.14	41.14

Notes:

- 1 The above financial results were taken on record by the Board of directors at their meeting held on October 30, 2006, which were also subjected to limited review by statutory Auditors.
- 2 Number of Investor complaints left unresolved at the beginning of the Quarter – Nil, received during the Quarter – 1, Disposed off during the Quarter – 1 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 has redrawn its plans to carry on the expansion and diversification programme, wherever required, as against the scheduled time, estimated amount and quantity as mentioned in the prospectus dated December 6, 2005.
The total amount spent out of the IPO proceeds up to September 30, 2006 is Rs. 2845.33 lacs. The balance issue proceeds are placed with the Monitoring Agency.
- 5 The company has become a listed company on December 20, 2005 and as such the corresponding previous figures for the quarter / six months ended September 30, 2005 are not reported.
- 6 Provision for taxation is provided on estimated annual basis and the actual liability for the same will be made at the end of the year.
- 7 The reschedulement of orders to be received from Railways, has resulted into lower turnover.

For KERNEX MICROSYSTEMS (INDIA) LTD.

Place: Hyderabad
Date : October 30, 2006

COL.L.V.RAJU (RETD)
MANAGING DIRECTOR