

KERNEX MICROSYSTEMS (INDIA) LTD

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED DECEMBER 31, 2006

	PARTICULARS	UNAUDITED				AUDITED
		3 months ended		9 months ended		Year ended
		31.12.2006	31.12.2005	31.12.2006	31.12.2005	31.03.2006
1	Gross Sales / Income from Operations	596.00	877.68	1926.29	3,036.06	4,129.29
	Less : Excise Duty & Service Tax	39.71	28.48	189.35	203.89	456.45
	Net Sales / Income from Operations	556.29	849.20	1,736.94	2,832.17	3,672.84
2	Other Income	157.31	17.53	460.59	41.91	161.54
	Total Income	713.60	866.73	2,197.53	2,874.08	3,834.38
3	Total Expenditure					
	a.(Increase) / decrease in stock - in - trade	-	-	-	-	-
	b.Cost of sales and services	153.88	296.79	488.15	857.88	1,321.34
	c.Staff cost	160.34	113.07	453.88	315.58	499.29
	d.Other Expenditure	67.37	125.21	207.04	355.11	491.04
4	Interest	50.56	32.71	135.15	56.63	142.20
5	Depreciation	78.70	27.79	135.00	81.61	109.96
6	Profit (+)/Loss(-) before tax(1+2-3-4-5)	202.75	271.16	778.31	1,207.27	1,270.55
7	Provision for Taxation					
	- Current Tax	32.57	92.00	158.52	400.00	420.00
	- Deferred Tax	48.45	-	64.99	-	(16.66)
	- Fringe Benefit Tax	1.29	1.01	4.68	3.97	8.92
8	Net Profit (6-7)	120.44	178.15	550.12	803.30	858.29
9	Paid up Equity Share Capital (Face Value of Rs.10/- per share)	1,136.33	1,136.33	1,136.33	1,136.33	1,136.33
10	Reserves excluding revaluation reserves	-	-	-	-	10,968.64
11	Earnings per share (not annualised)- Basic	1.06	1.57	4.84	7.07	7.55
	- Diluted	-	2.21	-	10.54	9.93
12	Aggregate of Non-Promoter Shareholding					
	a. Number of Shares	4,675,329	4,675,329	4,675,329	4,675,329	4,675,329
	b. Percentage of Shareholding (%)	41.14	41.14	41.14	41.14	41.14

Notes:

- 1 The above financial results have been reviewed by the Audit Committee and taken on record by the Board of directors in their meeting held on January 30, 2007
- 2 The auditors of the Company have carried out the limited review of the above financial results.
- 3 Number of Investor complaints left unresolved at the beginning of the Quarter – Nil, received during the Quarter – 7, Disposed off during the Quarter – 7 and pending – Nil
- 4 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.
- 5 The company has redrawn its plans to carry on the expansion and diversification programme, 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 December 31, 2006 is Rs. 3293.45 lacs. The balance issue proceeds are placed with the Monitoring Agency.
- 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 rescheduling of orders to be received from Railways, has resulted into lower turnover.
- 8 Figures for the previous periods have been regrouped/rearranged, wherever considered necessary.

For KERNEX MICROSYSTEMS (INDIA) LTD

Place: Hyderabad
Date : January 30, 2007

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