

KERNEX MICROSYSTEMS (INDIA) LTD

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2007

(Rs. In lacs except for share data)

PARTICULARS	Un-audited			AUDITED				
	STAND ALONE			STAND ALONE		CONSOLIDATED		
	9 months ended	Quarter ended		Year ended	Year ended	Year ended	Year ended	
	31.12.06	31.03.07	31.03.06	31.03.2007	31.03.2006	31.03.2007	31.03.2006	
1	Gross Sales / Income from Operations	1,926.29	592.34	1,093.23	2,518.63	4,129.29	2,520.02	4,139.02
	Less : Excise Duty & Service Tax	189.35	50.59	252.55	239.94	545.33	239.94	545.33
	Net Sales / Income from Operations	1,736.94	541.75	840.68	2,278.69	3,583.96	2,280.08	3,593.69
2	Other Income	460.59	228.55	119.63	689.14	161.54	691.45	161.54
	Total Income	2,197.53	770.30	960.31	2,967.83	3,745.50	2,971.53	3,755.23
3	Total Expenditure							
	a.(Increase) / decrease in stock - in - trade	107.78	(648.38)	(81.67)	(540.60)	(76.80)	(540.60)	(76.80)
	b.Cost of sales and services	380.37	572.37	545.13	952.74	1,387.27	952.74	1,387.26
	c.Staff cost	453.88	171.28	183.71	625.16	499.29	625.16	499.37
	d.Other Expenditure	207.04	276.44	151.48	483.48	413.03	484.64	420.23
4	Interest	135.15	36.31	85.57	171.46	142.20	171.54	144.35
5	Depreciation	135.00	74.84	28.35	209.84	109.96	209.84	109.96
6	Public Issue Expenses written of			(15.54)				-
7	Profit (+)/Loss(-) before tax(1+2-3-4-5-6)	778.31	287.44	63.28	1,065.75	1,270.55	1,068.21	1,270.86
8	Provision for Taxation							
	- Current Tax	158.52	158.48	20.00	317.00	420.00	317.00	420.00
	- Deferred Tax	64.99	33.38	(16.66)	98.37	(16.66)	98.37	(16.66)
	- Fringe Benefit Tax	4.68	4.86	4.95	9.54	8.92	9.54	8.92
	- Earlier Year tax	-	3.35	-	3.35	-	3.35	-
9	Net Profit (7-8)	550.12	87.37	54.99	637.49	858.29	639.95	858.60
10	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	1,136.33	1,136.33
11	Reserves excluding revaluation reserves	-	-	-	11,473.19	10,968.64	11,441.57	10,937.05
12	Earnings per share (not annualised)- Basic	4.84	0.77	0.48	5.61	7.55	5.63	7.56
	- Diluted	-	-	-	-	9.93	-	9.93
13	Aggregate of Non-Promoter Shareholding							
	a. Number of Shares	4,675,329	4,675,329	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	41.14	41.14

Notes:

- 1 The above financial results were reviewed by the Audit Committee and taken on record by the Board of directors in their meeting held on June 29, 2007.
- 2 The Board has recommended a dividend @ 10% on share of Rs 10 each for the year ended March 31,2007
- 3 The Board has also recommended issue of Bonus shares in the ratio of 1:10, subject to the approval of shareholders in the ensuing Annual General Meeting of the Company, to those equity shareholders, whose name appears in the Register of members on such date as may be approved by Board of Directors in consultation with the Stock Exchanges and consequently the Capital of the Company would stand increased to Rs. 1249.97 lacs
- 4 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
- 5 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.
- 6 The Company, pursuant to the share holders approval obtained in the 14th Annual General meeting, has redrawn its plans to carry on the expansion 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 March 31, 2007 is Rs.2,420.27 lacs as against the projected deployment of Rs.6,384.60 lacs as on March 31, 2007. The balance issue proceeds are placed with the Monitoring Agency.
- 7 Pending completion of phase-I development of ACD systems in North Frontier Railways, further orders from Railways were not received during the last Quarter and hence the turnover was low. The Company has since, successfully, completed the phase-I development of ACD systems in North Frontier Railways and commissioned. With this, the Company expects sizable orders from Railways.
- 8 Figures for the previous periods have been regrouped/rearranged, wherever considered necessary.

Place: Hyderabad
Date : June 29, 2007

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