

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER, 2007						
(Rs In Lakhs)						
PARTICULARS	UNAUDITED		UNAUDITED		AUDITED	
	3 months ended	3 months ended	9 months ended	9 months ended	Year ended	
	31/12/2007	31/12/2006	31/12/2007	31/12/2006	31/03/2007	
1	Gross Sales / Income from Operations	684.98	596.00	1755.27	1926.29	2518.63
	Less : Excise Duty & Service Tax	95.98	39.71	197.44	189.35	239.94
	Net Sales / Income from Operations	589.00	556.29	1557.83	1736.94	2278.69
2	Other Income	113.58	157.31	348.82	460.59	689.14
3	Total Income	702.58	713.60	1906.65	2197.53	2967.83
4	Total Expenditure					
	a.(Increase) / decrease in stock - in - trade	(65.23)	39.52	(201.13)	107.78	(540.60)
	b.Cost of sales and services	126.70	114.36	377.19	380.37	952.74
	c.Staff cost	169.01	160.34	491.86	453.88	625.16
	d.Depreciation	63.89	78.70	189.45	135.00	209.84
	e.R & D Expenditure	92.16	0.00	128.65		
	e.Other Expenditure	102.39	67.37	273.58	207.04	483.48
	Total	488.92	460.29	1259.60	1284.07	1730.62
5	Interest	21.01	50.56	79.81	135.15	171.46
6	Exceptional Items	-	-	-	-	-
7	Profit (+)/Loss(-) before tax	192.65	202.75	567.24	778.31	1065.75
8	Provision for Taxation					
	- Current Tax	40.00	32.57	139.00	158.52	317.00
	- Deferred Tax	10.00	48.45	3.51	64.99	98.37
	- Fringe Benefit Tax	2.50	1.29	7.50	4.68	9.54
	- Earlier year Tax	-	-	-	-	3.35
9	Net Profit (6-7)	140.15	120.44	417.23	550.12	637.49
10	Extraordinary Items	0.00	0.00	0.00	0.00	0.00
11	Net Profit for the period	140.15	120.44	417.23	550.12	637.49
12	Paid up Equity Share Capital (Face Value of Rs.10/- per share)	1249.97	1136.33	1249.97	1136.33	1136.33
13	Reserves excluding revaluation reserves	-	-	-	-	11473.19
14	Earnings per share (not annualised) - Basic - Diluted	1.12 -	1.06 -	3.34 -	4.84 -	5.61 -
15	Public Shareholding					
	a. Number of Shares	5316368	4675329	5316368	4675329	4675329
	b. Percentage of Shareholding (%)	42.53	41.14	42.53	41.14	41.14

Notes:

- The above financial results were reviewed by the Audit Committee and taken on record by the Board of directors in their meeting held on January 30, 2008 and Auditors of the Company have carried out Limited Review on the above results
- Number of Investor complaints left unresolved at the beginning of the Quarter – Nil, received during the Quarter – 29, Disposed off during the Quarter – 29 and pending – Nil
- 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.
- 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 December 31, 2007 is Rs 3685.21 lacs as against the projected deployment of Rs 6384.60 lacs. The balance issue proceeds are placed with the Monitoring Agency.
- As already reported, the Phase-I of development of ACD systems has been completed and pilot project commissioned. The Railways have accepted the ACD system for deployment in all the Railways. Essential procedures and administrative formalities in this regard are being completed and hence the delay in receiving orders. The Company now expects release of orders from Railways in the near future.
- During the Quarter the Company has allotted 1136332 Bonus equity shares and accordingly the paid up capital increased to 12499655 shares.
- Figures for the previous periods have been regrouped/rearranged, wherever considered necessary.

By order of the Board of Directors
For Kernex Microsystems (India) Ltd

sd/-

Place: Hyderabad
Date : January 30, 2008

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