

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31st DECEMBER 2008

(Rs. In Lacs)

Particulars	Quarter ended		Nine Months ended		Year ended
	31.12.2008 (unaudited)	31.12.2007 (unaudited)	31.12.2008 (unaudited)	31.12.2007 (unaudited)	31.03.2008 (Audited)
Sales					
(a) Net Sales/Income from Operations	543.66	589.00	1,580.02	1,557.83	2,030.63
(b) Other Operating Income	-	-	-	-	-
	543.66	589.00	1,580.02	1,557.83	2,030.63
Expenditure					
a. Increase/decrease in stock in trade and work in progress	(15.00)	(65.23)	(45.44)	(201.13)	(246.13)
b. Consumption of raw materials	96.47	119.91	257.18	363.25	480.48
c. Purchase of traded goods	0.18	6.79	4.88	13.94	18.67
d. Employees cost	216.27	169.01	578.84	491.86	673.67
e. Depreciation	46.38	63.89	138.07	189.45	253.58
f. Other expenditure	117.71	194.55	405.38	402.23	567.95
g. Total	462.01	488.92	1,338.91	1,259.60	1,748.22
(Any item exceeding 10% of the total expenditure to be shown separately)					
Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	81.65	100.08	241.11	298.23	282.41
Other Income	100.67	113.58	279.83	348.82	496.48
Profit before Interest & Exceptional Items (3+4)	182.32	213.66	520.94	647.05	778.89
Interest	40.83	21.01	87.43	79.81	100.49
Profit after Interest but before Exceptional Items (5-6)	141.49	192.65	433.51	567.24	678.40
Exceptional Items	-	-	-	-	-
Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	141.49	192.65	433.51	567.24	678.40
Tax expense	52.73	52.50	134.48	150.01	243.64
Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	88.76	140.15	299.03	417.23	434.76
Extraordinary Item (net of tax expense Rs.)	-	-	-	-	-
Net Profit (-)/Loss(-) for the period (11-12)	88.76	140.15	299.03	417.23	434.76
Paid-up equity share capital	1,249.97	1,249.97	1,249.97	1,249.97	1,249.97
(1,24,99,655 shares of Rs.10 each aggregating to Rs.12,49,96,550)					
Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year					11,648.08
Earnings Per Share (EPS)	0.71	1.12	2.39	3.34	3.48
(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)	-	-	-	-	-
Public shareholding					
- Number of shares	5,360,725	5,316,368	5,360,725	5,316,368	5,320,031
- Percentage of shareholding	42.89	42.53	42.89	42.53	42.56
*Strike off whichever is not applicable					

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 30-01-2009
- Number of Investor complaints left unresolved at the beginning of the quarter – Nil, received during the quarter – 2, Disposed off during the quarter – 2 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, 2008 is Rs. 5357.27 lacs as against the projected deployment of Rs.6,384.60 lacs. The balance issue proceeds are placed with the Monitoring Agency
- Auditors have carried out limited review of the Financial results for the quarter ended December 31, 2008 as required under clause 41 of the listing Agreement.
- As already reported, the Phase-I of development of ACD System has been completed and Pilot project commissioned. The Railways have accepted the ACD system for deployment in all the Railways and in the first instance in the three Zones, namely Southern, South Central and South Western.
- The Company has signed a contract on 5th November, 2008 with Egyptian National Railways, Egypt for supply and development of 136 automatic level crossing gates, necessary letter of guarantees have been given to Egyptian National Railways, Egypt
- Figures for the previous year have been regrouped / rearranged, wherever considered necessary.

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

Sd/-
Col.L.V.Raju
Managing Director

Place:Hyderabad
Date : 30.01.2009