

## KERNEX MICROSYSTEMS (INDIA) LIMITED

UNAUDITED FINANCIAL RESULTS FOR THE 9 MONTHS ENDED 31st DECEMBER 2010

in Lakhs

Sl.No.	Particulars	UNAUDITED STAND ALONE		UNAUDITED STAND ALONE		AUDITED Year ended 31.03.2010
		3 months ended 31-12-2010	3 months ended 31-12-2009	9 months ended 31-12-2010	9 months ended 31-12-2009	
		1	Sales			
	(a) Net Sales/Income from Operations	962.58	(213.27)	2,512.14	343.03	399.70
		<b>962.58</b>	<b>(213.27)</b>	<b>2,512.14</b>	<b>343.03</b>	<b>399.70</b>
2	Expenditure					
	a. Increase/decrease in stock in trade and work in progress	(128.97)	(28.08)	(172.77)	(91.20)	(343.83)
	b. Consumption of raw materials etc	281.69	87.80	916.58	303.99	534.16
	c. Purchase of traded goods	292.43	-	297.51	0.59	0.59
	d. Employees cost	204.43	128.95	547.75	523.36	673.81
	e. Depreciation	25.36	34.98	77.03	104.85	139.96
	f. Other expenditure	108.83	94.72	390.95	304.89	473.18
	g. Total	<b>783.77</b>	<b>318.37</b>	<b>2,057.05</b>	<b>1,146.48</b>	<b>1,477.87</b>
	(Any item exceeding 10% of the total expenditure to be shown separately)					
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	178.81	(531.64)	455.09	(803.45)	(1,078.17)
4	Other Income	40.14	61.90	123.06	202.55	257.60
5	Profit before Interest & Exceptional Items (3+4)	<b>218.95</b>	<b>(469.74)</b>	<b>578.15</b>	<b>(600.90)</b>	<b>(820.57)</b>
6	Interest	72.21	59.82	188.34	170.76	236.93
7	Profit after Interest but before Exceptional Items (5-6)	<b>146.74</b>	<b>(529.56)</b>	<b>389.81</b>	<b>(771.66)</b>	<b>(1,057.50)</b>
8	Exceptional Items					
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	<b>146.74</b>	<b>(529.56)</b>	<b>389.81</b>	<b>(771.66)</b>	<b>(1,057.50)</b>
10	Tax expense	29.35	-	77.96	30.86	(358.40)
11	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	<b>117.39</b>	<b>(529.56)</b>	<b>311.85</b>	<b>(802.52)</b>	<b>(699.10)</b>
12	Extraordinary Item (net of tax expense Rs.....)					
13	Net Profit (-)/Loss(-) for the period (11-12)	<b>117.39</b>	<b>(529.56)</b>	<b>311.85</b>	<b>(802.52)</b>	<b>(699.10)</b>
	Paid-up equity share capital (1,24,99,655 shares of ` 10 each aggregating to ` 12,49,96,550)	<b>1,249.97</b>	<b>1,249.97</b>	<b>1,249.97</b>	<b>1,249.97</b>	<b>1,249.97</b>
14	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	11,082.63
15	Earnings Per Share (EPS)	<b>0.94</b>	<b>(4.24)</b>	<b>2.49</b>	<b>(6.42)</b>	<b>(5.59)</b>
	(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)					
17	Public shareholding					
	- Number of shares	<b>6,198,448</b>	<b>5,740,974</b>	<b>6,198,448</b>	<b>5,740,974</b>	<b>5,883,207</b>
	- Percentage of shareholding	<b>49.59</b>	<b>45.93</b>	<b>49.59</b>	<b>45.93</b>	<b>47.07</b>
	*Strike off whichever is not applicable					
18	Promoters and Promoter group Shareholding**					
	a) Pledged/Encumbered					
	-Number of Shares	-	-	-	-	-
	-Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group	-	-	-	-	-
	-Percentage of Shares(as a % of the total sharecapital of the Company	-	-	-	-	-
	b) Non-encumbered					
	-Number of Shares	<b>6,301,207</b>	<b>6,758,681</b>	<b>6,301,207</b>	<b>6,758,681</b>	<b>6,616,448</b>
	-Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group	<b>100.00</b>	<b>100</b>	<b>100.00</b>	<b>100</b>	<b>100</b>
	-Percentage of Shares(as a % of the total sharecapital of the Company	<b>50.41</b>	<b>54.07</b>	<b>50.41</b>	<b>54.07</b>	<b>52.93</b>

### Notes

- 1 The above audited financial results were reviewed by the Audit Committee and taken on record by the Board of directors in their meeting held on January 17, 2011
- 2 Number of Investor complaints left unresolved at the beginning of the quarter Nil, received during the quarter- Nil Disposed off during the quarter- Nil and pending - Nil.
- 3 The Company operates in one reportable segment i.e. Safety systems for railways as such segment reporting as per AS-17 is not applicable.
- 4 The Company, pursuant to the share holders approval obtained in the 14th Annual General meeting, has redrawn its plans to carry on the expansion program, 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 31st December 2010 is Rs. 8826.89 Lakhs as against the projected deployment of Rs 9901.11 Lakhs. The balance issue proceeds are placed with the Monitoring Agency.
- 5 Auditors have carried out limited review of the financial results for the quarter ended 31st December 2010 as required under clause 41 of the listing agreement.
- 6 The company's contract for providing Maintenance services in NF Railways and restoration of network is going according to schedule. Supplies have been completed and site installation will be completed shortly.  
  
The Egyptian National Railways team is expected to visit India and Germany for conducting Factory Acceptance Test for the balance 136 Lx System (electronic gates) by end of January, 2011. The Factory Acceptance Test for the additional 55 units is scheduled for March 2011.  
  
Kernex as technology partner of Konkan Railway Corporation is participating in final trials for ACD system at Arakonnam which will be completed by end of January, 2011. Based on the outcome of the trials railways would be taking on ACD project all over India.
- 7 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/-

**Col.L.V.Raju (Retd.)  
Managing Director**

**Place: Hyderabad  
Date: 17-1-2011**