

**KERNEX MICROSYSTEMS (INDIA) LTD.****(AN ISO-9001 : 2008 CERTIFIED COMPANY)**

Phone: +91-40-23113192-94

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+91-40-23113191

Email : rajulv@kernex.in

: kernex@kernex.in

URL : http://kernex.in

Registered Office :

'THRUSHNA', Plot No. 7,
Software Units Layout, Infocity
Madhapur, Hyderabad - 500 081.
A.P. India.

File No. MIL/NSE/BSE/015/2012-13

July 27, 2012

Date _____

The General Manager
The Department of Corporate Services,
Bombay stock Exchange Limited,
Floor 1, Rotunda Building,
Dalal Street,
MUMBAI - 400 001
BSE Scrip Code: 532686

The Manager
National Stock Exchange of India Ltd
Exchange Plaza, Bandra - Kurla Complex
Bandra (E)
MUMBAI - 400 051

NSE Symbol: KERNEX

Dear Sir,

Sub: un Audited financial results for the quarter ended June 30, 2012**Ref:- Clause 41 of the listing Agreement.**

Pursuant to Clause 41 of listing agreement, the following were passed by the
Board of Directors of the Company at the meeting held on July 27, 2012

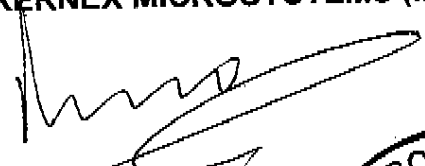
1. Un-audited financial results for the quarter ended June 30, 2012.

This is for your information and record please.

Thanking you,

Yours faithfully,

For KERNEX MICROSYSTEMS (INDIA) LIMITED


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

**Project Division :**

Rajvistas', # H, Avanthi Colony, Karkhana, Secunderabad - 500 009. A.P., INDIA.

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Notes:

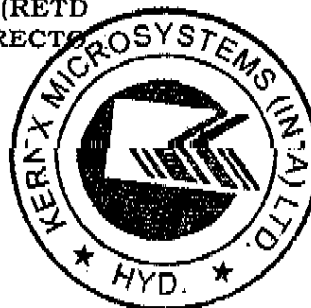
1. The above un-audited financial results on standalone basis were reviewed by the Audit Committee and taken on record by the Board of Directors in their meeting held on 27.07.2012.
2. Number of Investor complaints left unresolved at the beginning of the quarter Nil, received during the quarter- 8 Disposed off during the quarter- 8 and pending - Nil.
3. The Company operates in one reportable segment i.e. Safety systems for railways hence segment reporting as per AS-17 is not applicable.
4. The total amount spent out of the IPO proceeds up to 30th June 2012 is Rs. 8967.50 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 30th June 2012 as required under clause 41 of the listing agreement.
6. Figures for the previous Periods have been regrouped/rearranged, wherever considered necessary.

By order of the Board of Directors
FOR KERNEX MICROSYSTEMS (INDIA) LTD.,

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

Place: Hyderabad

Date: 27.07.2012



Project Division :

Rajvistas', # H, Avanthi Colony, Karkhana, Secunderabad - 500 009. A.P., INDIA.
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A.P. India.

Statement of Standalone unaudited results for the quarter ended 30th June 2012 (₹ in Lacs)

PART I		Quarter Ended		Year ended	
Sl. No.	Particulars	30-06-2012 (Unaudited)	31-03-2012 (Unaudited)	30-06-2011 (Unaudited)	31-03-2012 (Audited)
1	Income from operations:				
	(a) Net Sales/Income from Operations(Net of Excise Duty)	678.91	1,158.02	579.05	4,385.13
	(b) Other operating income	-	-	-	-
	Total Income from operations (net)	678.91	1,158.02	579.05	4,385.13
2	Expenses:	488.69	1,112.05	441.70	3,543.66
	a. Cost of materials consumed	32.88	19.55	50.76	237.96
	b. Purchase of stock-in-trade	-	150.70	-	432.37
	c. Changes in inventories of finished goods, work in progress and stock in trade	(22.22)	72.01	-28.17	345.99
	d. Employees benefits expense	198.27	206.71	222.68	900.24
	e. Depreciation and amortization expense	15.60	19.50	19.67	80.50
	f. Other expenses	264.16	643.58	176.76	1,546.60
	Total Expenses	488.69	1,112.05	441.70	3,543.66
	(Any item exceeding 10% of the total expenditure to be shown separately)				
	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	190.22	45.97	137.35	841.47
3	Other Income	39.52	77.76	44.55	213.29
	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	229.74	123.73	181.90	1,054.76
5	Finance Costs	93.18	64.64	82.29	369.68
	Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5+6)	136.56	59.09	99.61	685.08
7	Exceptional Items				
8	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	136.56	59.09	99.61	685.08
9	Tax expense	25.00	38.10	32.87	238.11
10	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	111.56	20.99	66.74	446.97
11	Extraordinary Item (net of tax expense ₹.....lacs)				
12	Net Profit (+)/Loss(-) for the period (11-12)	111.56	20.99	66.74	446.97
13	Share of profit/(Loss) of associates				
14	Minority Interest				
	Net profit/(Loss) after taxes, minority interest and share of profit/(Loss) of Associates (13-14-15)	111.56	20.99	66.74	446.97
15	Paid-up equity share capital (Face value ₹10 per share to be indicated)	1,249.97	1,249.97	1,249.97	1,249.97
16	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year		11,841.67		11,696.40
17	Earnings Per Share (before extra ordinary items)	0.89	0.17	0.53	3.57
	(Of ₹ 10 each) (not annualized)				
	(a) Basic				
	(b) Diluted				
18	Earnings Per Share (after extra ordinary items)	0.89	0.17	0.53	3.57
	(Of ₹ 10 each) (not annualized)				
	(a) Basic				
	(b) Diluted				

Project Division :

Rajvistas', # H, Avanthi Colony, Karkhana, Secunderabad - 500 009. A.P. (INDIA)
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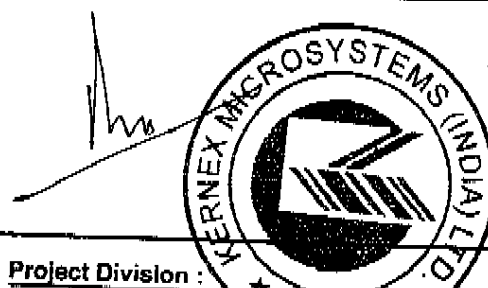
(AN ISO9001:2000 CERTIFIED COMPANY)

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PART II

Sl No	Particulars	3 months ended 30-06-2012	Preceding 3 months ended 31-12-2011	Corresponding 3 months ended 30-06-11 in the previous year	Year to date figures for current period ended 31.03.12
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A.	PARTICULARS OF SHAREHOLDING:				
1	Public shareholding				
	- Number of shares	7,473,504	7,406,996	6,309,108	7,406,996
	- Percentage of shareholding	59.79	59.26	50.47	59.26
2	Promoters and Promoter group Shareholding**				
	a) Pledged/Encumbered				
	-Number of Shares	225,000	200,000.00	-	200,000
	-Percentage of Shares(as a % of the total shareholding of				
	Promoter and Promoter group)	4.48	3.93	-	3.93
	Percentage of Shares(as a % of the total sharecapital of				
	the Company)	1.80	1.60	-	1.60
	b) Non-encumbered				
	-Number of Shares	4,801,151	4,892,659	6,190,547	4,892,659
	-Percentage of Shares(as a % of the total shareholding of				
	Promoter and Promoter group	95.62	98.40	100.00	96.08
	-Percentage of Shares(as a % of the total sharecapital of				
	the Company	98.20	98.40	100.00	98.40
	Particulars	3 months ended (dd/mm/yyyy)			
B.	INVESTOR COMPLAINTS:				
	Pending at the beginning of the quarter		NIL		
	Received during the quarter		8		
	Disposed during the Quarter		8		
	Remaining unresolved at the end of Quarter		NIL		



Project Division :

Rajvistas', # H, Avanthi Colony, Karkhana, Secunderabad - 500009, A.P. INDIA.

GMK ASSOCIATES

Chartered Accountants



Limited Review Report

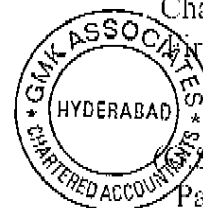
Review Report to
The Board of Directors
Kernex Micro Systems (India) Limited
Hyderabad

We have reviewed the accompanying statement of unaudited financial results of Kernex Micro Systems (India) Limited for the period ended 30th June, 2012 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Hyderabad.
Date : 27th July, 2012



For GMK ASSOCIATES
Chartered Accountants
Firm Regn No.0069458

Ganesh D.
Satyanarayana Murty)
Partner
M.No.029919