



KERNEX MICROSYSTEMS (INDIA) LTD.

(AN ISO-9001 : 2008 CERTIFIED COMPANY)

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

File No. **KMIL/NSE/BSE/026/2012-13**

Date _____
November 12, 2012

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 second quarter ended September 30, 2012

Ref:- Clause 41 of the listing Agreement.

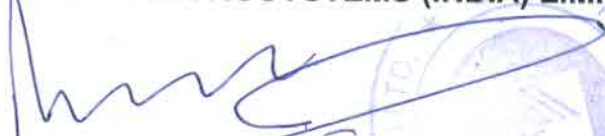
Pursuant to Clause 41 of listing agreement, the following were passed by the Board of Directors of the Company at the meeting held on November 12, 2012

1. Un-audited financial results for the second quarter ended September 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



Statement of Standalone unaudited results for the Quarter and 6 Months ended 30-09-2012

Rs in Lakhs

Statement of Standalone unaudited results for the Quarter and 6 Months ended 30-09-2012					Rs in Lakhs		
PART I							
Sl. No.	Particulars	3 months ended (30.09-2012)	Preceding 3 Months ended (30-06-2012)	Corresponding 3 Months ended (30.09.2011) in the Previous Year	Year to date Figures for Current Period ended (30-09-2012)	Year to date figures for the Previous year ended(30-09-2011)	Previous year ended (31-03-2012)
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations:						
	(a) Net Sales/Income from Operations(Net of Excise Duty)	599.04	678.91	740.49	1,277.95	1,293.90	4,385.13
	(b) Other operating income	-	-	-	-	-	-
	Total Income from operations (net)	599.04	678.91	740.49	1,277.95	1,293.90	4,385.13
2	Expenses:	535.35	488.69	492.28	1,025.78	908.35	3,543.66
	a. Cost of materials consumed	46.70	32.88	33.51	79.60	84.26	237.96
	b. Purchase of stock-in-trade	0.07	-	5.23	0.07	5.23	432.37
	c. Changes in inventories of finished goods, work in progress and stock in trade	11.94	(22.22)	-47.52	-10.29	-75.69	345.99
	d. Employees benefits expense	163.31	198.27	216.26	361.58	434.59	900.24
	e. Depreciation and amortization expense	34.75	15.60	20.56	50.35	40.23	80.50
	f. Other expenses	278.58	264.16	264.24	544.47	419.73	1,546.60
	Total Expenses	535.35	488.69	492.28	1,025.78	908.35	3,543.66
	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	63.69	190.22	248.21	252.17	385.55	841.47
3	Other Income	75.39	39.52	45.37	114.91	89.92	213.29
	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	139.08	229.74	293.58	367.08	475.47	1,054.76
5	Finance Costs	74.89	93.18	106.33	166.33	188.62	369.68
	Profit /(Loss) from ordinary activities after finance costs but before exceptional items(5+6)	64.19	136.56	187.25	200.75	286.85	685.08
8	Exceptional Items						
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	64.19	136.56	187.25	200.75	286.85	685.08
10	Tax expense	15.00	25.00	30.90	40.00	63.76	238.11
11	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	49.19	111.56	156.35	160.75	223.09	446.97
12	Extraordinary Item (net of tax expense `.....lacs)						
13	Net Profit (+)/Loss(-) for the period (11-12)	49.19	111.56	156.35	160.75	223.09	446.97
14	Share of profit/(Loss) of associates						
15	Minority Interest						
16	Net profit/(Loss) after taxes, minority interest and share of profit/(Loss) of Associates (13-14-15)	49.19	111.56	156.35	160.75	223.09	446.97
17	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	1,249.97	1,249.97
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year						11,696.40
19.i	Earnings Per Share (before extra ordinary items)	0.39	0.89	1.25	1.29	1.78	3.58
	(Of `10 each) (not annualized)						
	(a)Basic	0.39	0.89	1.25	1.29	1.78	3.58
	(b)Diluted	0.39	0.89	1.25	1.29	1.78	3.58
19.ii	Earnings Per Share (after extra ordinary items)	0.39	0.89	1.25	1.29	1.78	3.58
	(Of `10 each) (not annualized)						
	(a)Basic						
	(b)Diluted						



KERNEX MICROSYSTEMS (INDIA) LIMITED

(AN ISO9001:2000 CERTIFIED COMPANY)

"THRUSHNA" Plot No 7 Software Units Layout ,Infocity, Madhapur ,Hyderabad- 500081,A.P India Ph +91-40-23113192/94

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PART II

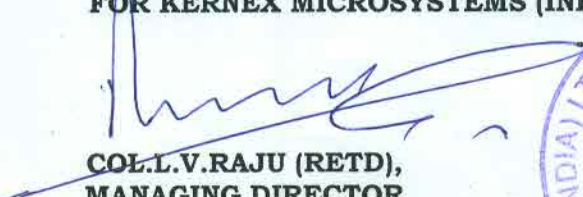
Sl.no	Particulars	3 months ended 30-09-2012	3 months ended 30-06-2012	Corresponding 3 months ended 31.09.2011	year to date Figures for current period ended 30-09-2012	Year to date figures for the previous year ended 30-09-2011	Previous year ended 31.03.12
			(Unaudited)				(Audited)
A.	PARTICULARS OF SHAREHOLDING:						
1	Public shareholding						
	- Number of shares	7,694,871	7,473,504	6,470,809	7,694,871	6,470,809	7,406,996
	- Percentage of shareholding	61.56	59.79	51.77	61.56	51.77	59.26
2	Promoters and Promoter group Shareholding**						
a)	Pledged/Encumbered						
	-Number of Shares	225,000	225,000	-	225,000	-	200,000
	-Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group)	4.68	4.48	-	4.68	-	3.93
	-Percentage of Shares(as a % of the total sharecapital of the Company)	1.8	1.80	-	1.80	-	1.60
b)	Non-encumbered						
	-Number of Shares	4,579,784	4,801,151	-	4,579,784	-	4,892,659
	-Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group)	95.32	95.52	-	95.52	-	96.08
	-Percentage of Shares(as a % of the total sharecapital of the Company)	98.2	98.20	-	98.20	-	98.40
	Particulars	3 months ended (dd/mm/yyyy)					
B.	INVESTOR COMPLAINTS:						
	Pending at the beginning of the quarter			NIL			
	Received during the quarter			6			
	Disposed during the Quarter			6			
	Remaining unresolved at the end of Quarter			NIL			



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 12.11.2012.
2. The Company operates in one reportable segment i.e. Safety systems for railways hence segment reporting as per AS-17 is not applicable.
3. Auditors have carried out limited review of the financial results for the quarter ended 30th September 2012 as required under clause 41 of the listing agreement.
4. Figures for the previous Periods have been regrouped/rearranged, wherever considered necessary.
5. Number of Investor complaints left unresolved at the beginning of the quarter Nil, received during the quarter- 6 Disposed off during the quarter- 6 and pending - Nil.

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


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

Place: Hyderabad
Date: 12.11.2012



Kernex Microsystems (India) Ltd
Clause 41 of the Listing Agreement for Companies (Other than Banks)

(Amount Rupees in Lakhs)

Sr.	Standalone Statement of Assets and Liabilities - Particulars	Current Half Year Ended as at 30-09-2012	Previous Year Ended as at 31-03-2012
A.	EQUITY AND LIABILITIES		
1	Shareholders Funds		
	a) Share Capital	1,249.97	1,249.97
	b) Reserves and Surplus	11,857.15	11,696.40
	c) Money received against share warrants	-	-
	Sub-Total - Shareholders Funds	13,107.12	12,946.36
2	Share Application Money Pending Allotment	-	-
3	Minority Interest	-	-
4	Non-Current Liabilities		
	a) Long term borrowings	-	-
	b) Deferred tax liabilities (Net)	-	-
	c) Other long term liabilities	-	-
	d) Long-term provisions	-	-
	Sub-Total-Non Current Liabilities	-	-
5	Current Liabilities		
	a) Short Term Borrowings	1,826.75	1,790.16
	b) Trade Payables	618.03	739.55
	c) Other Current Liabilities	813.03	964.67
	d) Short Term Provisions	145.27	145.27
	Sub-Total -Current Liabilities	3,403.08	3,639.65
	TOTAL - EQUITY AND LIABILITIES	16,510.20	16,586.02
B	ASSETS:		
1	Non - Current Assets		
	a) Fixed Assets	7,171.17	7,170.13
	b) Goodwill On Consolidation		
	c) Non-Current Investments	118.31	118.31
	d) Deferred Tax Assets (Net)	38.80	38.80
	e) Long - Term Loans and Advances	1,149.40	1,132.08
	f) Other Non Current Assets	-	-
	Sub - Total - Non Current Assets	8,477.68	8,459.32
2	Current Assets		
	a) Current Investments		-
	b) Inventories	1,660.10	1,666.06
	c) Trade Receivables	4,412.73	4,259.32
	d) Cash and Cash Equivalents	883.56	1,187.38
	e) Short Term Loans and Advances	914.11	884.27
	f) Other Current Assets	162.02	129.67
	Sub-Total - Current Assets	8,032.52	8,126.70
	TOTAL ASSETS	16,510.20	16,586.02



**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 September, 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, except reconciliation and confirmation of balances in respect of receivables, 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 : 12th September, 2012

For GMK ASSOCIATES
Chartered Accountants
Firm Regn No.006945S



G. Satyanarayana Murty
(G. Satyanarayana Murty)
Partner
M.No.029919