



KERNEX MICROSYSTEMS (INDIA) LTD.

(AN ISO-9001 : 2000 CERTIFIED COMPANY)

Phone: +91-40-23113192-94
Fax : +91-40-23114187
+91-40-23113191
Email : kernex@kernexmail.in



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

File No. **KMIL/CS/BSE/NSE/026/2013-14**

Date **November 14, 2013**

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 and half year ended September 30, 2013

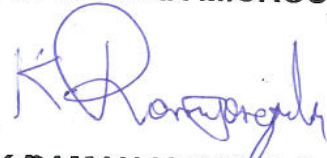
Ref:- Clause 41 of the listing Agreement.

Pursuant to Clause 41 of listing agreement, we are herewith enclosing un Audited financial results along with the limited review Audit Report for the quarter ended September 30, 2013, which have been reviewed by the Audit Committee and approved by the Board of Directors at the meeting held on November 14, 2013.

This is for your information and record please.

Thanking you,

Yours faithfully,
For KERNEX MICROSYSTEMS (INDIA) LIMITED


K. RAMANEVELU
Company Secretary





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

Fax: +91-40-23113189/91 Email: rajulv@kernex.stph.net/ kernex@kernex.stph.net URL: http://www.kernex.in

Unaudited Financial Results (Standalone) for the Quarter ended September 30, 2013

PART I		₹ in lakhs					
S.No	Particulars	Quarter Ended			Six Months Ended		
		30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income from operations:						
	(a) Net Sales/Income from Operations (Net of Excise Duty)	946.92	307.92	599.04	1,254.84	1,277.95	2,823.22
	(b) Other operating income						
	Total Income from operations (net)	946.92	307.92	599.04	1,254.84	1,277.95	2,823.22
2	Expenses:						
	a. Cost of materials consumed	127.76	26.67	46.70	154.42	79.60	236.47
	b. Purchase of stock-in-trade	124.70	0	0.07	124.70	0.07	142.60
	c. Changes in inventories of finished goods, work in progress and stock in trade	(127.56)	(147.64)	11.94	(275.20)	(10.29)	28.23
	d. Employees benefits expense	232.47	224.07	163.31	456.54	361.58	781.01
	e. Depreciation and amortization expense	101.62	100.52	34.75	202.14	50.35	275.96
	f. Other expenses	502.28	232.32	278.58	734.60	544.47	1,121.09
	Total Expenses	961.27	435.93	535.35	1,397.21	1,025.78	2,585.35
3	Profit from Operations before Other Income, Finance costs & Exceptional Items (1-2)	(14.35)	(128.01)	63.69	(142.37)	252.17	237.87
4	Other Income	54.84	171.56	75.39	226.41	114.91	321.04
	Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4)	40.49	43.55	139.08	84.04	367.08	558.92
5							
6	Finance Costs	79.23	84.10	74.89	163.33	166.33	384.07
	Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5+6)	(38.74)	(40.55)	64.19	(79.29)	200.75	174.85
7							
8	Exceptional Items						
9	Profit (+)/ Loss (-) from Ordinary Activities before tax (7+8)	(38.74)	(40.55)	64.19	(79.29)	200.75	174.85
10	Tax expense	(0.77)	-	15.00	(0.77)	40.00	110.17
11	Net Profit (+)/Loss(-) from Ordinary Activities after tax (9-10)	(37.97)	(40.55)	49.19	(78.52)	160.75	64.68
12	Extraordinary Item (net of tax expense Rs. lakhs)						
13	Net Profit (+)/Loss(-) for the period (11-12)	(37.97)	(40.55)	49.19	(78.52)	160.75	64.68
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)	(37.97)	(40.55)	49.19	(78.52)	160.75	64.68
17	Paid-up equity share capital (Face value of 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						11,761.08
19.i	Earnings Per Share (before extra ordinary items)	(0.30)	(0.32)	0.39	(0.63)	1.29	0.52
19.ii	Earnings Per Share (after extra ordinary items)	(0.30)	(0.32)	0.39	(0.63)	1.29	0.52
	Earnings Per Share (after extra ordinary items)	(0.30)	(0.32)	-	(0.63)		0.52





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S.No	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30-Sep-13	30-Jun-13	30-Sep-12	30-Sep-13	30-Sep-12	31-Mar-13
	PART-II	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A.	PARTICULARS OF SHAREHOLDING:						
1	Public shareholding						
	- Number of shares	7729832	7,531,177	7,964,871	7729832	7,694,871	7,859,340
	- Percentage of shareholding	61.84	60.25	61.56	61.84	61.56	62.88
2	Promoters and Promoter group Shareholding**						
	a) Pledged/Encumbered						
	-Number of Shares	225000	225,000	225,000	225000	225,000	225,000
	-Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group)	4.71	4.53	4.68	4.71	4.68	4.84
	-Percentage of Shares(as a % of the total sharecapital of the Company)	1.81	1.80	1.80	1.81	1.80	1.80
	b) Non-encumbered						
	-Number of Shares	4544823	4,743,478	4,579,784	4544823	4,579,784	4,415,315
	-Percentage of Shares(as a % of the total shareholding of Promoter and Promoter group)	95.29	95.47	95.32	95.29	95.32	95.16
	-Percentage of Shares(as a % of the total sharecapital of the Company)	98.2	98.20	98.20	98.2	98.20	98.20
	Particulars	3 months ended (dd/mm/yyyy)					
B.	INVESTOR COMPLAINTS:						
	Pending at the beginning of the quarter	0			0		
	Received during the quarter	0			0		
	Disposed during the Quarter	0			0		
	Remaining unresolved at the end of Quarter	0			0		





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File No. _____ Kernex Microsystems (India) Ltd

Date _____

Clause 41 of the Listing Agreement for companies (Other than Banks) Standalone Statement of Assets and Liabilities

(₹ in lakhs)

SI No	Particulars	As at 30th Sept,2013	As at 31st March,2013
A.	EQUITY AND LIABILITIES		
1	Shareholders Funds		
	a) Share Capital	1,249.97	1,249.97
	b) Reserves and Surplus	11,682.56	11,761.08
	c) Money received against share warrants		-
	Sub-total - Shareholders Funds	12,932.52	13,011.04
2	Share Application Money pending allotment		-
3	Minority Interest		-
4	Non-current liabilities		
	a) Long term borrowings		-
	b) Deferred tax liabilities (Net)	33.02	33.79
	c) Other long term liabilities		-
	d) Long-term provisions		-
	Sub-total-non current liabilities	33.02	33.79
5	Current Liabilities		
	a) Short term borrowings	1,649.51	1,634.92
	b) Trade Payables	1,339.86	836.60
	c) Other current liabilities	719.36	683.21
	d) Short term provisions	60.49	78.14
	Sub-total -Current Liabilities	3,769.22	3,232.88
	TOTAL -EQUITY AND LIABILITIES	16,734.77	16,277.71
B	ASSETS:		
1	Non - Current Assets		
	a) Fixed Assets	6,914.14	7,022.15
	b) Goodwill on consolidation		-
	c) Non-current investments	118.31	118.31
	d) Deferred Tax Assets (net)		-
	e) Long- term loans and advances	1,098.54	1,249.59
	f) Other non current assets		
	Sub - total - non current assets	8,130.98	8,390.05





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File No. _____		Date _____	
SI No	Particulars	As at 30th Sept,2013	As at 31st March,2013
2	Current Assets		
	a) Current Investments		
	b) Inventories	1,855.88	1,570.19
	c) Trade Receivables	5,254.94	4,677.23
	d) Cash and cash equivalents	796.65	839.55
	e) Short term loans and advances	602.54	726.03
	f) Other current assets	93.78	74.66
	Sub-total - Current Assets	8,603.79	7,887.66
	TOTAL ASSETS	16,734.77	16,277.71





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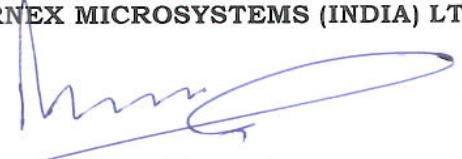
Date _____

Notes:

1. Auditors have conducted the limited review Audit as recommended by the Audit Committee; the Board of Directors of the Company has approved the above results at their meeting held on November 14, 2013.
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. Figures for the previous Periods have been regrouped/rearranged, wherever considered necessary.
4. KRCL has intimated KMIL that the MOU and Agreement regarding development & Manufacture of ACD is treated as discharged in context of TCAS development. However KMIL has contested and taken up the matter with KRCL
5. Number of Investor complaints left unresolved at the beginning of the quarter Nil, received during the quarter- Nil Disposed off during the quarter- 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: November 14, 2013

**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, 2013 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 : 14th November, 2013



For GMK ASSOCIATES
Chartered Accountants
Firm Regn No.006945S

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