



# **KERNEX MICROSYSTEMS (INDIA) LIMITED**

Corporate Identification No. (CIN) - L30007TG1991PLC013211

Regd. Off: Plot No 38 (part) -41, Survey No 1/1, Kancha Imarat,  
Raviryal Village, Maheswaram Mandal, Ranga Reddy District,

Hyderabad-501 510 Phone: 9030017502, 9948488877

E-mail: md@kernex.in/acs@kernex.in Web site: www.kernex.in

## **POSTAL BALLOT NOTICE**

### **(Pursuant to Section 110 of the Companies Act, 2013) read with Rule 22 of the Companies (Management and Administration) Rules, 2014**

Dear Members,

Notice is hereby given to the Members of Kernex Microsystems (India) Limited ("Company"), pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013, (the "Companies Act") read with Rule 22 of Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Regulation 74(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable laws and regulations, that the resolutions as set out in this Notice are proposed to be passed by the Members through Postal Ballot.

The explanatory statement setting out the material facts and related particulars with reference thereto for your consideration is enclosed with this Notice along with the Postal Ballot Form.

M/s A.J.Sharma ( CP-2176) Practicing Company Secretary has been appointed as a scrutinizer for conducting the Postal Ballot process and to scrutinize the e-voting process in a fair and transparent manner.

As per the provisions of the Companies Act, a special resolution will be declared as passed by way of Postal Ballot if votes cast in favour of the resolution are not less than three times the number of the votes, if any, cast against the resolution by members entitled to vote.

Members desiring to exercise their vote by Postal Ballot Form are requested to read carefully the instructions printed in the Postal Ballot Form and return the Form (no other form or photocopy thereof is permitted) in original duly completed, indicating their assent (FOR) / dissent (AGAINST) for the resolution in the enclosed postage prepaid self-addressed envelope, so as to reach the Scrutinizer at the Company's Registrar and Transfer Agents M/s. Karvy Computershare Pvt. Ltd office address at Karvy Selenium Tower B, Plot No 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad- 500 032 on or before the close of working hours i.e. 16th February, 2018 (5.00 p.m. IST).

Please note that any Postal Ballot Form(s) received after closing hours of the said date will be treated as not having been received

### **E-Voting Option:**

In compliance with the provisions of Sections 108, 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is pleased to provide Members as an alternate with the facility to exercise their right to vote on the matter included in this Postal Ballot Notice by electronic means i.e. through e-voting services provided by Karvy Computershare Private Limited) The e-voting period commences on 22nd January, 2018 (9.00 a.m. IST) and ends on 15th February, 2018 (5.00 p.m. IST). The Members are requested to read carefully and follow the instructions on e-voting as printed in this notice.

The Scrutinizer will submit its report to the Chairman of the Company or any other person authorized by the Chairman of the Company after completion of scrutiny of the voting done through the Postal Ballot Forms received in physical form and through e-voting process, and the consolidated results thereof will be announced on 16th February, 2018 at the Registered Office of the Company at Plot No 38 (part) - 41, Survey No 1/1, Kancha Imarat, Raviryal Village, Maheswaram Mandal, Ranga Reddy District, Hyderabad-501 510.

The resolutions will be taken as passed effectively on 16th February 2018 being the last date of completion of voting if the result of the Postal Ballot indicates that the requisite majority of the Members had assented to the resolution.

The results based upon the Scrutinizers Report will be declared by the Chairman or any Director authorized by the Board as the case may be on 16th February' 2018. The Scrutinizer's decision on the validity of the votes cast through E-voting/Postal Ballot shall be final. The results of the Postal Ballot will also be displayed at the said address and posted on the Company's website i.e. <http://kernex.in>, besides communicating to the BSE/ NSE. The results of the postal ballot will also be announced through an advertisement in newspapers.

### **SPECIAL RESOLUTION**

Item of business requiring consent of Members of the Company through Postal Ballot:

#### **1. To consider and approve issue of equity shares on preferential basis to Dr. Anji Raju Manthana-Promoter-Individual:**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (“SEBI ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot 3,71,291 Equity shares to Dr. Anji Raju Manthana, having face value of Rs10/- (Rupees ten) each fully paid-up (“Equity Shares”) on preferential basis :

S.No	Name of Proposed allottee	Category	PAN	No of equity shares to be issued
1	Dr. Anji Raju Manthana	Promoter-Individual	ARHPM7137J	3,71,291

at a price being not less than the price determined in accordance with Chapter VII of the ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/ Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE/NSE where the shares of the Company are listed.

**“RESOLVED FURTHER THAT** in accordance with Regulations 71 and 73(4) of SEBI ICDR Regulations, the 'Relevant Date' for determination of the issue price of Equity Shares, shall be, 17th January, 2018 being the date 30

(thirty) days prior to the deemed date of passing of this Resolution by the Members of the Company through Postal Ballot or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date”

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in Regulation 78 of SEBI ICDR Regulations”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred herein to any Director(s) or officer(s) of the Company, as it may deem fit and appropriate and to give such Directions / instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said equity shares.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**2. To consider and approve issue of equity shares on preferential basis to Dr. Raju Narasa Mantena-Promoter-Individual**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (“SEBI ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot, 2,94,118 Equity shares to Dr.Raju Narasa Mantena having face value of Rs10/- (Rupees ten) each fully paid-up (“Equity Shares”) on preferential basis:

S.No	Name of Proposed allottee	Category	PAN	No of equity shares to be issued
1	Dr. Raju Narasa Mantena	Promoter-Individual	ALKPM7432M	2,94,118

at a price being not less than the price determined in accordance with Chapter VII of the ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/ Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE/NSE where the shares of the Company are listed.

**“RESOLVED FURTHER THAT** in accordance with Regulations 71 and 73(4) of SEBI ICDR Regulations, the ‘Relevant Date’ for determination of the issue price of Equity Shares, shall be, 17th January, 2018 being the date 30 (thirty) days prior to the deemed date of passing of this Resolution by the Members of the Company through Postal Ballot or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date”

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in Regulation 78 of SEBI ICDR Regulations”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred herein to any Director(s) or officer(s) of the Company, as it may deem fit and appropriate and to give such Directions / instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said equity shares.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**3. To consider and approve issue of equity shares on preferential basis to Mr. K. Krishnam Raju-Non-Promoter-Individual**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (“SEBI ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot, 5,88,235 Equity shares to Mr. K Krishnam Raju, having face value of Rs10/- (Rupees ten) each fully paid-up (“Equity Shares”) on preferential basis:

S.No	Name of Proposed allottee	Category	PAN	No of equity shares to be issued
1	Mr. K Krishnam Raju	Non-Promoter-Individual	AGZPK6993M	5,88,235

at a price being not less than the price determined in accordance with Chapter VII of the ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/ Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE/NSE where the shares of the Company are listed.

**“RESOLVED FURTHER THAT** in accordance with Regulations 71 and 73(4) of SEBI ICDR Regulations, the ‘Relevant Date’ for determination of the issue price of Equity Shares, shall be, 17th January, 2018 being the date 30 (thirty) days prior to the deemed date of passing of this Resolution by the Members of the Company through Postal Ballot or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date”

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in Regulation 78 of SEBI ICDR Regulations”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred herein to any Director(s) or officer(s) of the Company, as it may deem fit and appropriate and to give such Directions / instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said equity shares.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution

#### **4. To consider and approve issue of equity shares on preferential basis to Mrs. K. Swetha-Non-Promoter-Individual**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (“SEBI ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot, 3,92,157 Equity shares to Mrs. K Swetha, having face value of Rs10/- (Rupees ten) each fully paid-up (“Equity Shares”) on preferential basis:

at a price being not less than the price determined in accordance with Chapter VII of the ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect.

S.No	Name of Proposed allottee	Category	PAN	No of equity shares to be issued
1	Mrs. K Swetha	Non-Promoter-Individual	AMBPK9976A	3,92,157

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/ Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE/NSE where the shares of the Company are listed.

**“RESOLVED FURTHER THAT** in accordance with Regulations 71 and 73(4) of SEBI ICDR Regulations, the ‘Relevant Date’ for determination of the issue price of Equity Shares, shall be, 17th January, 2018 being the date 30 (thirty) days prior to the deemed date of passing of this Resolution by the Members of the Company through Postal Ballot or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date”

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in Regulation 78 of SEBI ICDR Regulations”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred herein to any Director(s) or officer(s) of the Company, as it may deem fit and appropriate and to give such Directions / instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said equity shares”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution

**5. To consider and approve issue of equity shares on preferential basis to Dr. Vinta Janardhana Reddy-Non-Promoter-Individual**

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a **Special Resolution**:

**“RESOLVED THAT** pursuant to Sections 62(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), read with Rule 13 of Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and in accordance with the provisions on preferential issue as contained in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009, as amended (“SEBI ICDR Regulations”), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and subject to the approval(s), consent(s), permission(s)and/or sanction(s), if any, of any statutory / regulatory authorities, Stock Exchange(s), SEBI, institutions, or bodies, as may be required and subject to such terms and condition(s), alteration(s), correction(s), change(s) and/or modification(s) as may be prescribed by any of them while

granting such consent(s), permission(s) or approval(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board', which terms shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its power including the powers conferred by this Resolution) consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to create, offer, issue and allot, 2,24,256 Equity shares to Dr. Vinta janardhana Reddy, having face value of Rs10/- (Rupees ten) each fully paid-up ("Equity Shares") on preferential basis

S.No	Name of Proposed allottee	Category	PAN	No of equity shares to be issued
1	Dr. Vinta janardhana Reddy	Non-Promoter-Individual	AGAPV5054F	2,24,256

at a price being not less than the price determined in accordance with Chapter VII of the ICDR Regulations or such higher price determined on such terms and conditions as may be decided and deemed appropriate by the Board at the time of issue or allotment in accordance with the provisions of SEBI ICDR Regulations, or other applicable laws in this respect

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/ Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board"

**"RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form

**"FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE/NSE where the shares of the Company are listed

**"RESOLVED FURTHER THAT** in accordance with Regulations 71 and 73(4) of SEBI ICDR Regulations, the 'Relevant Date' for determination of the issue price of Equity Shares, shall be, 17th January, 2018 being the date 30 (thirty) days prior to the deemed date of passing of this Resolution by the Members of the Company through Postal Ballot or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date"

**"RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in Regulation 78 of SEBI ICDR Regulations"

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred herein to any Director(s) or officer(s) of the Company, as it may deem fit and appropriate and to give such Directions / instructions as may be necessary to settle any question, difficulty or doubt that may arise in regard to offer, issue, allotment of the said equity shares."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board be and is hereby authorized to agree and accept all such terms, condition(s), modification (s) and alteration(s) as may be stipulated by any relevant authorities while according approval or consent to the issue as may be considered necessary, proper or expedient and give effect to modification (s) and to resolve and settle all questions, difficulties or doubts that may arise in this regard in the implementation of this resolution for issue and allotment of equity shares on preferential basis and to do all acts, deeds and things in connection therewith and incidental thereto without being required to seek any further consent or approval of the members of the Company to the intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution

**By order of the Board  
For KERNEX MICROSYSTEMS (INDIA) LIMITED**

Place: Hyderabad  
Date: 17.01.2018

Badari Narayana Raju Manthana  
Director

## NOTES:

1. An Explanatory Statement and reasons for the proposed Special Resolutions at Item No. 1, 2, 3, 4 & 5 above, pursuant to Section 102(1) read with Section 110 of the Companies Act, 2013 is annexed hereto.
2. The Postal Ballot Notice is being sent to all the Members, whose names would appear in the Register of Members / Record of Depositories as on 12th January, 2018. A person who is not a member as on the cut-off date is not entitled to avail remote e-voting facility or voting by Postal Ballot.
3. The Voting commences on 18th January, 2018. and ends on 16th February 2018.
4. The E-voting period commences on 22nd January 2018 and ends on 15th February, 2018 the members are requested to note that
  - a) Duly completed Postal Ballot form should reach the Scrutinizer before 5.00 P.M. on 16th February, 2018
  - b) The remote e-voting needs to be exercised before 5.00 P.m. on 15th February, 2018 as the e-voting module will be disabled for voting after the said time and date
5. As per Section 110 of the Act, read with Rule 22 of the Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot is being sent by electronic mode to those Members whose e-mail address are registered with the Company/depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by permitted mode.
6. The voting rights of members shall be in proportion to their share of the paid up equity share capital of the Company.
7. In compliance with provisions of Regulation 44 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as section 108 and 110 of Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility through e-voting services provided by M/s.Karvy Computershare Private Limited (KARVY), for its Members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form/s. and members are informed that e-voting is optional and that they can opt for only one mode of voting i.e. either by physical postal ballot forms or e-voting.
8. The Board of Directors of the Company has appointed Mr. A J Sharma, Practicing Company Secretary, as scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the Members. After completion of his scrutiny, the Scrutinizer will submit his report to the Chairman/Authorized Director..
9. The resolutions will be taken as passed effectively on 16th February 2018 being the last date of completion of voting if the result of the Postal Ballot indicates that the requisite majority of the Members had assented to the resolution
10. The result of the Postal Ballot will be declared on 16th February, 2018 at the Registered Office of the Company. After declaration, the result of the Postal Ballot shall also be posted on the Company's website [www.kernex.in](http://www.kernex.in) besides communicating the same to the Bombay Stock Exchange Limited and National Stock Exchange Limited where the shares of the Company are listed.
11. A copy of each of the documents referred to in the accompanying Explanatory Statement is open for inspection at the Registered Office of the Company between 10.30 A.M. to 04.00 P.M on any working day excluding Saturday and Sunday till the last date for receiving Postal Ballot Forms by scrutinizer i.e. 16th February, 2018.
12. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Shareholders are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.
13. The Cut-off date for determining voting rights of members entitled to participate in e-voting: 12th January, 2018
14. Commencement of e-voting: 22nd Day of January, 2018 at 09.00 A.M  
End of e-voting: 15th February, 2018 at 5.00 P.M
15. As required by Rule 22 of the Companies (Management and Administration) Rules, 2014, details of dispatch of Notice and Postal Ballot Form to the Shareholders will be published in at least one English language and one vernacular language newspaper circulating in Hyderabad, Telangana

### **.The Procedure And Instructions For E-Voting Are As Follows:**

- i) Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the enclosed Form. Your folio/DP Client ID will be your User-ID.



User – ID	For Members holding shares in Demat Form:- For NSDL :- 8 Character DP ID followed by 8 Digits Client ID For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Note/ via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

Please contact toll free no. : 1-800-34-54-001 for any further clarifications.

- i. After entering these details appropriately, click on “LOGIN”.
- ii. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatory change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e voting through Karvy Computershare Private Limited e-Voting platform. System will prompt you to change your password and update any contact details like mobile #, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- iii. You need to login again with the new credentials.
- iv. On successful login, system will prompt to select the 'Event' i.e., 'KERNEX MICROSYSTEMS (INDIA) LIMITED'
- v. If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and cast your vote earlier for any company, then your existing login id and password are to be used.
- vi. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- vii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed .If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- viii. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- ix. Corporate/Institutional Members (corporate/FIs/ FII/ Trust/ Mutual Funds/ Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to kernexscrutinizer@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format “Corporate Name\_ Event no.”

### **EXPLANATORY STATEMENT (PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)**

The following Explanatory Statement relating to the accompanying Notice dated 17th January, 2018 sets out all material facts:

#### **Item No 1, 2, 3, 4 & 5**

The Board of Directors of the Company at their meeting held on 17th January, 2018, subject to the approval of shareholders by way of Special Resolution through Postal Ballot approved raising of funds by way of issuing equity shares through preferential allotment to the proposed allottees in accordance with Chapter VII of the SEBI (ICDR) Regulations, 2009 and Sections 42 and 62(1)(c) of the Companies Act, 2013, Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014.

Therefore, in terms of said sections, rules and regulations, consent of the Members is being sought for the issue and allotment of 18,70,057 equity shares of the Company, having a face value of Rs. 10 (Rupees Ten only) each at a minimum price of (including a premium) calculated in accordance with provisions of Chapter VII of SEBI ICDR Regulations, on a preferential basis to the Proposed allottees. entitling them to subscribe to and be allotted the

Equity Shares, not later than 15 (fifteen) days from the date of passing of this special resolution by the members.

**The information as required under SEBI (ICDR) Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 are given below:**

**A. Objects of the Preferential issue**

To raise necessary funds for current/future expansion activities of the Company, augmenting working capital requirements, discharging debt burden and general corporate purposes,

**B. Intention of promoters / directors / key managerial personnel to subscribe to the offer**

The following promoters, directors or key managerial personnel intends to subscribe to the proposed issue

1. Dr.Anji Raju Manthena - Promoter & Director
2. Dr.Raju Narasa Mantena - Promoter & Director
3. Dr. Vinta janardhana Reddy - Director

**C. Shareholding Pattern before and after the proposed preferential issue.**

S. No	Category	Pre-Issue Equity		Post Equity Issue	
		No of shares held	% of shareholding	No of shares held	% of shareholding
<b>A</b>	<b>Promoter Holding</b>				
<b>1.</b>	<b>Indian</b>				
	Individuals/HUF	2,25,000	1.80	2,25,000	1.56
	Persons acting in concert	52,085	0.42	52,085	0.36
	<b>Sub Total A 1</b>	<b>2,77,085</b>	<b>2.22</b>	<b>2,77,085</b>	<b>1.92</b>
<b>2.</b>	<b>Foreign Promoter</b>				
	Individuals/NRI/Foreign individuals	36,98,624	29.59	43,64,033	30.37
	Persons acting in concert	1,26,959	1.02	1,26,959	0.88
	<b>Sub Total A 2</b>	<b>38,25,583</b>	<b>30.61</b>	<b>44,90,992</b>	<b>31.25</b>
	<b>Total Promoters Group A=A1+A2</b>	<b>41,02,668</b>	<b>32.83</b>	<b>47,68,077</b>	<b>33.17</b>
<b>B.</b>	<b>Public Shareholding</b>				
<b>1.</b>	<b>Institutions</b>				
A.	Mutual Funds/Banks/FI	-	-	-	-
B.	FII's	-	-	-	-
	<b>Sub Total B 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.</b>	<b>Non Institutions</b>				
A.	Bodies Corporate	10,52,844	8.42	10,52,844	7.33
B.	Individuals	61,13,647	48.91	70,94,039	49.39
C.	Foreign Bodies Corporates/NRI's	-	-	-	-
D.	Others (HUF,NBFC and Trusts)	4,64,134	3.71	4,64,134	3.23
E.	NRI's	7,28,678	5.83	9,52,934	6.63
F.	Clearing members	37,684	0.30	37,684	0.26
	<b>Sub Total B 2</b>	<b>83,96,987</b>	<b>67.17</b>	<b>96,01,635</b>	<b>66.83</b>
	<b>Total Public Share holding B-B1+B2</b>	<b>83,96,987</b>	<b>67.17</b>	<b>96,01,635</b>	<b>66.83</b>
	<b>GRAND TOTAL A+B</b>	<b>1,24,99,655</b>	<b>100</b>	<b>1,43,69,712</b>	<b>100</b>

The % of post issue capital is arrived after considering the proposed allotment of Equity Shares.

**D. Proposed time within which the allotment shall be completed**

As required under the ICDR Regulations, the Company shall complete the allotment of equity shares as aforesaid on or before the expiry of 15 days from the date of passing of the special resolution by the shareholders granting consent for preferential issue or in the event allotment of equity shares would require any approval(s) from any regulatory authority or the Central Government, within 15 days from the date of such approval(s), as the case may be.

**E The name of the proposed allottees, the identities of the persons who are the ultimate beneficial owners of the shares and/or who ultimately control the proposed allottees, the percentage of post preferential issue capital that may be held by them.**

S. No	Details of subscriber	Qualification and Experience	PAN	Nationality	Pre-issue holding	% to Pre-issue Capital	No of equity shares proposed to be issued	% to post issue capital
1.	Dr. Anji Raju Manthena S/o Ramaraju Manthena Address: 1906, Rayshell CT, SeaBrook, Texas 77586, USA	He has been practicing for the last 37 years in the Space centre, NASA region of Houston, Texas and has been actively involved in software related activities in Corporate hospitals. He has served as a member of various committees in Clear Lake Regional Medical centre as well as managing partner of Anesthesia Associates and president professional corporation	ARHPM 7137J	USA	4,14,078	3.31	3,71,291	2.58
2.	Dr. Raju Narasa Mantena S/o. Late Krishnam Raju Address: NRI Academy of Sciences, Chinakakani, Guntur - 522 510	He is a Physician and has about 28 years experience in Anaesthesiology in USA. He worked as assistant professor of Anaesthesiology in Washington University from 1978 to 1980 and worked as consultant Anesthesiologist at St. Lukes Hospital USA from 1980-2002. He is working as secretary and correspondent of NRI Academy of Sciences since 2003.	ALKPM 7432M	NRI	8,54,633	6.84	2,94,118	2.05
3.	Mr. K Krishnam Raju S/o Sri, Kanumuri Satya Siva Prasad Raju Address: 2-159/9, Prapurna Enclave, Medchal Road, Jeedimetla, Suchitra Junction, Medchal, RR. Dist	He is a Post Graduate in • Masters in Business Administration - 1999 - Pittsburg State University; Pittsburg, KS, USA. He was successfully • Successfully executed several ventures in real estate in and around Hyderabad city and • Successfully handled the role of marketing / management head for the prestigious project- Maytas Hill county. • Successful as business analyst in Cigna health care for almost 2 years after MBA.	AGZPK 6993M	Indian	0	-	5,88,235	4.09
4.	Msr. K Swetha W/o Sri, Kanumuri Krishnam Raju Address: 2-159/9, Prapurna Enclave, Medchal Road, Jeedimetla, Suchitra Junction, Medchal, RR. Dist	She is a post graduate in Business Administration and is related to K Krishnam Raju, Executive in the Company	AMBPK 9976A	Indian	0	-	3,92,157	2.73
5.	Dr Janardhana Reddy Vinta S/o Suryanarayana Reddy Vinta Address: 2314, Sycamoregrove Drive Houston, Texas, 77062 USA	He has 40 years experience as Physician working in USA. He is a member of Texas Medical Association, USA.	AGAPV 5054F	USA	1,98,655	1.59	2,24,256	1.56

#### F. Undertakings

In terms of SEBI (ICDR) Regulations, 2009, the Company hereby undertakes that:

- It shall re-compute the price of the Equity Shares issued in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- If the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, the underlying Equity Shares shall continue to be locked-in till the time such amount is paid by the proposed allottees

#### G. The total number of shares or other securities to be issued 18,70,057 Equity Shares

#### H. Terms of Issue of the Equity Shares, if any

- The Equity Shares allotted in terms of this resolution shall rank pari passu with existing equity shares of the Company in all respects.
- Conversion of Interest Free Non-repatriable Unsecured Loans brought in by Dr. Anji Raju Manthena amounting to Rs. 1,89,35,842 towards the consideration for shares that may be required to be paid calculated and balance if any to be brought in cash at a Price per equity share calculated as per Regulation 76 of ICDR Regulations.
- Conversion of Interest Free Non-repatriable Unsecured Loans brought in by Dr. Janardhana Reddy Vinta amounting to Rs. 1,04,17,080 towards the consideration for shares that may be required to be paid calculated

and balance if any to be brought in cash together aggregating Rs. 1,14,37, 080 at a Price per equity share calculated as per Regulation 76 of ICDR Regulations.

4. Conversion of Interest Free Unsecured Loans brought in by Mr.Raju Narasa Mantena amounting to Rs.1,50,00,000 towards the consideration for shares that may be required to be paid calculated and balance if any to be brought in cash at a Price per equity share calculated as per Regulation 76 of ICDR Regulations.
5. Allotment of shares for cash by Mr.K Krishnam Raju, Executive in the employment of the company.
6. Allotment of shares for cash by Mrs.K Swetha, w/o K Krishnam Raju. Executive in the employment of the company..

**I. The price at which the allotment is proposed**

The price of equity shares to be issued is fixed in accordance with the pricing (Issue Price) determined in terms of Regulation 76 of the ICDR Regulations.

**J. Basis on which the price has been arrived at**

The Company is listed on BSE Limited and National Stock Exchange of India Limited and the equity shares of the Company are frequently traded.

For the purpose of computation of the price per equity share, Bombay Stock Exchange Limited , the stock exchange which has the highest trading volume in respect of the equity shares of the Company, during the preceding twenty six weeks prior to the relevant date has been considered.

In terms of ICDR Regulations, the equity shares shall be allotted at a price not less than higher of the following:

- a. Average of the weekly high and low of the volume weighted average prices of the equity shares of the Company quoted on the stock exchange, during the twenty six weeks preceding the Relevant Date or
- b. Average of the weekly high and low of the volume weighted average price of the equity shares of the Company quoted on the stock exchange, during the two weeks preceding the Relevant Date.

The equity shares of the Company have been listed on the recognized stock exchanges for a period of more than 26 weeks prior to the Relevant Date, the Company would re-compute the price per equity share, if required.

**K Relevant Date**

The Relevant date for the purpose of calculation of price of the equity shares on preferential basis is 17th January, 2018, being 30 days prior to the date of passing of Special Resolution through Postal Ballot to approve the proposed preferential issue, in accordance with the SEBI ICDR Regulations .Where the relevant date falls on a weekend / holiday, the day preceding the weekend / holiday will be reckoned to be the relevant date.

**L. Change in control if any consequent to preferential issue**

There shall be no change in management or control of the Company consequent to the present preferential issue of Equity Shares. The existing promoters of the Company will continue to be in control of the Company.

**M. No. of persons to whom allotment on preferential basis has already been made during the year, in terms of number of securities as well as price:**

During the year, no preferential allotment has been made to any person.

**N. Lock-in period**

The Shares to be offered issued and allotted shall be subject to Lock-in as provided under the provisions of ICDR Regulations. The entire pre preferential shareholding of the above allottees, if any, shall be locked-in from the relevant date up to the period of 6 months from the date of trading approval as per Regulation 78 (6) of the ICDR Regulations.

**O. Auditors certificate:**

A certificate from M/s. PRSV &Co., LLP, Chartered Accountants, Statutory Auditors of the Company, certifying that the issue of equity shares is being made in accordance with requirements of ICDR Regulations shall be available for inspection to the members of the company before the general meeting of the shareholders.

Relevant documents are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.

The Board of Directors of the Company believes that the proposed preferential issue is in the best interest of the Company and its members. The Board of Directors, therefore, recommends the resolution for your approval.

Shri. Dr Anji Raju Manthena, and Ms.Sree Lakshmi Manthena being related to Dr.Anji Raju Manthena , Mr.Raju Narasa Mantena, Promoters/Directors Dr Janardhana Reddy Vinta being Director and Mr.K Krishnam Raju, Executive in the employment of the Company and Mrs.K Swetha wife of K Krishnam Raju may be deemed to be concerned or interested in the proposed resolution. None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

By Order of the Board  
**For Kernex Microsystems (India) Limited**

Place: Hyderabad

Date: 17-01-2018

Badari Narayana Raju Manthena  
Director