

## NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of the Company will be held on Monday, the 30th September 2019 at 11.00 A.M at the registered office at Plot No 38 (part) to 41, Survey No 1/1, Hardware Park, Raviryal Village, Maheswaram Mandal, Ranga Reddy District, Hyderabad-501 510 to transact the following business.

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated financial statements for the year ended on 31st March, 2019 together with the reports of the Director's and Auditors thereon.
2. To appoint a director in place of Ms. Sree Lakshmi Manthena (DIN: 07996443), who retires by rotation and being eligible offers herself for re-appointment as a director in the company.

## SPECIAL BUSINESS

### 3. To consider and approve appointment of Mr. Dinakara Rao Pasupuleti (DIN: 00009801) as an Independent Director of the Company

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

**“RESOLVED THAT** Mr. Dinakara Rao Pasupuleti (DIN: 00009801), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 10th November 2018 and who holds office up to the date of this Annual General Meeting under Section 161(1) of the Companies Act, 2013 ('the Act') and Article 116 of the Articles of Association of the Company, and he has given consent for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby approved.

**“RESOLVED FURTHER THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Dinakara Rao Pasupuleti (DIN: 00009801), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from 10th November 2018 up to 09th November'2021.

**“RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to the continuation of directorship of Mr. Dinakara Rao Pasupuleti (DIN: 00009801) after he attains the age of 75 years, as a Non-Executive, Independent Director of the Company”

### 4. To consider and approve appointment of Dr. Anji Raju Manthena (DIN: 01022368) as a Non-Executive Director of the Company

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

**“RESOLVED THAT** Pursuant to Regulation 17(1A) of the Securities and

Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, and recommended by the Board of Directors and Nomination and Remuneration Committee of the Company, the consent of the members of the Company be and is hereby granted to the continuation of directorship of Dr. Anji Raju Manthana (DIN: 01022368) who would be attaining the age of seventy five (75) years to act as a Non-Executive Director of the Company, liable to retire by rotation.

**5. To consider and approve appointment of Dr. Vinta Janardhana Reddy (DIN: 02414912) as a Non-Executive Director of the Company**

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

**“RESOLVED THAT** Pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, and recommended by the Board of Directors and Nomination and Remuneration Committee of the Company, the consent of the members of the Company be and is hereby granted to the continuation of directorship of Dr. Vinta Janardhan Reddy (DIN: 02414912) who would be attaining the age of seventy five (75) years to act as a Non-Executive Director of the Company, liable to retire by rotation.

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

Sd/-

**Manthana Badari Narayana Raju**  
Whole Time Director  
DIN: 07993925

Palce : Hyderabad  
Date : 31st August, 2019

## NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting. The proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/authority as applicable. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.  

A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The explanatory statement in respect of item no's 3 to 5 of the notice in pursuance of section 102 (1) of the Companies Act, 2013 is annexed hereto.
3. Shareholders holding shares in physical form are requested immediately to inform change in address if any to the Company's Registrar and transfer agent, M/s. Karvy Fintech Private Limited. Shareholders holding shares in electronic form must send change in their address to their respective Depository participants and not to the Company.
4. Securities and Exchange Board of India [SEBI] vide PR No. 51/2018, except in case of transmission or transposition of securities; requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Hence, the Company is hereby requesting all the members who were held shares in the physical form are convert their shares into dematerialized mode.
5. The Register and Share transfer Books of the Company shall remain closed from 24th September, 2019 to 30th September, 2019 (both days inclusive).
6. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days in advance of the meeting to enable the management to keep the information ready.
7. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those members whose e-mail addresses 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 the permitted mode.
8. To support the "Green Initiative", the members who have not registered their e-mail addresses are requested to register the same with Depositories.
9. All documents referred to in this Notice will be available for inspection at the registered office of the Company during business hours on all working days up to the date of AGM.
10. Pursuant to provisions of the Act and other applicable rules, if any, of the Companies Act 2013, all unclaimed & remaining unclaimed / unpaid dividend for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government. It may be noted that the unclaimed Dividend for the financial year 2011-12 declared by the Company can be claimed by the shareholders from IEPF.
11. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in this Notice. Members desirous of voting through electronic mode may refer to the detailed procedure on e-

voting forming part of the Annexure to this Notice.

12. As per Regulation 44 of SEBI Listing Regulations, the Company will submit details of the voting results in respect of each of the resolutions proposed in this Notice to the stock exchanges within 48 hours of conclusion of its AGM.
13. The facility for voting through ballot / polling paper shall be made available at the AGM, to all the members attending the AGM, who have not

opted e-voting facility. Further, the members who have opted e-voting facility may also attend the AGM but shall not be entitled to cast their vote again at the AGM.

14. Details of Directors seeking appointment/re-appointment at this AGM are provided in the Annexure to this Notice
15. (a) E- voting instructions  
(b) Proxy Form; and  
(c) Attendance Slip are annexed to this Notice.

### (A) PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

#### E-voting Instructions

The instructions and other information relating to e-voting are as under:

1. The procedure for e- voting is as below:
  - i. Launch internet browser by typing URL: <https://evoting.karvy.com>
  - ii. Enter the login credentials (i.e. User ID and Password mentioned in the attendance slip). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e - voting, you can use your existing User ID and password for casting your vote.

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

- iii. After entering these details appropriately, click on “LOGIN”.
- iv. Members holding shares in Electronic/ Physical form will now reach Password Change menu wherein they are required to mandatorily 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 Fintech Private Limited e- voting platform. System will prompt you to change your password and update any contact details like mobile, e-mail 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..

- v. You need to login again with new credentials.

- vi. On successful login, the system will prompt you to select the 'EVEN' i.e., "**KERNEX MICROSYSTEMS.**"
- vii. 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', partially in 'AGAINST' and partially in 'ABSTAIN', but the total number in 'FOR/AGAINST/ABSTAIN' taken together should not exceed your total shareholding. If you do not want to cast any vote, select 'ABSTAIN'.
- viii. Members holding multiple folios /demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- x. After selecting the appropriate option for each of the resolution, 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.
- xi. Upon confirming, you will not be allowed to modify your vote.
- xii. During the voting period, members can login any number of times till they have voted on the Resolution(s). However, you may still attend the AGM and participate in the discussions.
- xiii. Corporate/Institutional members (Corporate/FIs /FII's /Trust/Mutual Funds /Banks, etc.) are required to send scanned certified true copy (in PDF) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) to the Scrutinizer through e-mail to **kernexscrutinizer@gmail.com** with a copy to [evoting@karvy.com](mailto:evoting@karvy.com) or send it to the registered office of the Company. The scanned file of the above mentioned documents should be in the naming format "**Kernex\_EVEN**".
- xiv. In case of any queries, you may refer to Frequently Asked Questions (FAQs) for shareholders and e- voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact the Registrar & Share Transfer Agent, Karvy Fintech Pvt. Ltd. at Toll Free No. 1-800-3454-001.
2. The e- voting period commences on Friday, 27th September, 2019 at 09:00 a.m. and ends on Sunday, 29th September, 2019 5.00 p.m. (both days inclusive). Please note that e- voting mode shall not be allowed beyond 5.00 p.m. on Sunday, 29th September, 2019. During this period, the Members of the Company holding shares in physical form or in electronic form, as on the cut-off date, being Monday, 23rd September, 2019, may cast their vote by electronic means in the manner and process set out hereinabove. The e- voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote by way of poll, at the AGM.
3. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. Monday, 23rd September, 2019, may obtain the User ID and Password in the manner as mentioned below:
- a. If the mobile number of the member is registered against Folio No./DP ID-Client ID, the member may send SMS : MYEPWD EVEN + Folio No. or DP ID Client ID to 9212993399
- Example for NSDL : MYEPWD  
In12345612345678
- Example for CDSL : MYEPWD  
1402345612345678
- Example for Physical : MYEPWD  
XXXX1234567



- b. If e-mail or mobile number of the member is registered against Folio No./DP ID-Client ID, then on the home page of <https://evoting.karvy.com>, the member may click “forgot password” and enter Folio No./DP ID-Client ID and PAN to generate a password.
4. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Companies Act, 2013, as amended, as on the cut-off date i.e. Monday, 23rd September, 2019.
  5. The Board of Directors have appointed Mrs. N Vanitha, Practicing Company Secretary as a Scrutinizer to scrutinize the e- voting / poll process in a fair and transparent manner.
  6. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e - voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer’s Report of the votes cast in favor or against, if any, forthwith to the Chairman/any other authorized person of the Company.
  7. The result on resolutions shall be declared on or after the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
  8. The results declared along with the Scrutinizer’s Report(s) will be available on the website of the Company ([www.kernex.in](http://www.kernex.in)) and on Service Provider’s website (<https://evoting.karvy.com>) within two (2) days of passing of the resolutions and will also be communicated to BSE Limited and National Stock Exchange of India Limited.

**Information pursuant to the Listing Regulations and Secretarial Standards in respect of Appointment/ Re-appointment of Directors**

Particulars	Mr. P Dinakara Rao	Dr. Anji Raju Manthena
Date of Birth	September 14, 1945	April 03, 1945
Date of Appointment	November 10, 2018	May 20, 2005
Qualifications	M.A.	M.S. (General Surgery) from Andhra University and M.D. (USA)
Expertise in specific Functional area	He has thirty seven years experience in the field of banking with specialization in Corporate Finance, Treasury Management. Specialization also in the fields of Training, Human Resources Development Corporate Cultural Transformation and Micro Finance. Strong belief in wealth creation in always win win mode and strong commitment to openness transparency and fairness in dealings.	M.S. (General Surgery) from Andhra University and M.D. (USA) He has been practicing for the last 41 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
Directorship held in other public companies (excluding foreign companies)	1. Spyn Financial Services Pvt Ltd 2. Versante Software Technologies Pvt Ltd	Nil
Memberships / Chairmanships of committees of other Public companies (includes only Audit and Shareholders/Investors Grievance Committee)	Nil	Nil
Number of shares held in the company	0	4,14,078

Particulars	Dr. Vinta Janardhana Reddy	Ms. Sree Lakshmi Manthana
Date of Birth	August 10, 1946	September 14, 1977
Date of Appointment	September 20, 2018	November 20, 2017
Qualifications	MBBS and MD (USA)	HOUSTON BAPTIST UNIVERSITY, (Houston, TX) Magna Cum Laude, Bachelors Degree with Triple Major in Biology, Chemistry, and Psychology, Minor in Business Administration (Project Mgmt Courses). UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER -SA (Medical School, San Antonio, TX)
Expertise in specific Functional area	He has 45 years' experience as Physician working in USA. He is a member of Texas Medical Association, USA. He worked as executive vice president TANA and convener for 7th TANA conference.	Business Development Manager with 5+ years of experience in Marketing, Strategy planning, Project procurement, Project coordination, Consulting.
Directorship held in other public companies (excluding foreign companies)	Nil	Nil
Memberships / Chairmanships of committees of other Public companies (includes only Audit and Shareholders/Investors Grievance Committee)	Nil	Nil
Number of shares held in the company	1,99,655	6,40,398

**EXPLANATORY STATEMENT**  
**(Pursuant to Section 102 of the Companies Act, 2013)**

**Item No: 3**

The Board of Directors have appointed Mr. P Dinakara Rao, (DIN: 00009801) as an Additional Director of the Company with effect from 10th November, 2018. His term of office expires at the forthcoming Annual General Meeting. The Nomination and Remuneration Committee and Board of Directors of the, proposing his candidature for the office of Director as per the provisions of the Section 160 of the Companies Act, 2013.

Mr. P Dinakara Rao has thirty seven years of experience in the field of banking with specialization in Corporate Finance, Treasury Management Specialization also in the fields of Training, Human Resources Development Corporate Cultural Transformation and Micro Finance. Strong belief in wealth creation in always win-win mode and strong commitment to openness transparency and fairness in dealings Loves to be always of help to youngsters who want to realize their dreams.

As per the provisions of section 149 of the Companies Act, 2013 ("Act") an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. P Dinakara Rao has given a declaration to the Board that he meets the criteria of independence as provided under section 149 (6) of the Act. The matter regarding appointment of Mr. P Dinakara Rao as an Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director up to 3 years from the 10th November 2018 to 9th November 2021.

In the opinion of the Board, Mr. P Dinakara Rao fulfills the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. P Dinakara Rao as an Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mr. P Dinakara Rao is interested and concerned in the Resolution and no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution.

The Board recommends the resolution for your approval.

**Item No: 4 & 5**

As the Members are aware, pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification for such appointment or continuation, as the case may be.

Dr. Anji Raju Manthana (DIN: 01022368) and Dr. Vinta Janardhana Reddy (DIN: 02414912) would be attaining the age of 75 years, Pursuant to Regulation 17(1A) of the Listing Regulations, Resolution for continuation of their directorships will require by passing a special resolution by the members approval by passing special resolution. The appointee director having rich experience in their filed and having knowledge in the company matter. The Board of Directors, at its meeting held on 31st August, 2019, has unanimously decided the continuation of directorships of Dr. Anji Raju Manthana and Dr. Vinta Janardhana Reddy.

Dr. Anji Raju Manthana (DIN: 01022368) and Dr. Vinta Janardhana Reddy (DIN: 02414912) and their respective relatives are concerned or interested in the Resolution. is and no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution.

The Board recommends the resolution for your approval..

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

Sd/-  
**Manthana Badari Narayana Raju**  
Whole Time Director  
DIN: 07993925

Palce : Hyderabad  
Date : 31st August, 2019