

## **NOTICE**

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the Members of M/s. Kernex Microsystems (India) Limited will be held on Saturday, 30<sup>th</sup> September 2023 at 04:00 P.M. IST through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") to transact the following items of business:

### **ORDINARY BUSINESS**

**1. To receive consider and adopt**

- (a) the audited standalone Financial Statements of the Company for the financial year ended March 31, 2023 and the Report of the Board of Directors and Auditors thereon; and
- (b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2023 and the Report of Auditors thereon

*To consider and if thought fit to pass with or without modification(s) the following resolution as **Ordinary Resolutions***

- a) **"RESOLVED THAT** the audited standalone financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted."
- b) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and the report of Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted."

**2. TO APPOINT A DIRECTOR IN PLACE OF MS. SREELAKSHMI MANTHENA (DIN: 07996443) NON-EXECUTIVE DIRECTOR, WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HERSELF FOR RE APPOINTMENT AS A DIRECTOR IN THE COMPANY.**

*To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution***

**"RESOLVED THAT** pursuant to the provisions of Section 152 (6) and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Ms. Sreelakshmi Manthena (DIN: 07996443) as a "Director", who shall be liable to retire by rotation."

**3. TO APPOINT A DIRECTOR IN PLACE OF DR. VINTA JANARDHANA REDDY (DIN: 02414912), WHO RETIRES BY ROTATION AND BEING ELIGIBLE OFFERS HIMSELF FOR RE-APPOINTMENT AS A DIRECTOR IN THE COMPANY.**

*To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution***

**"RESOLVED THAT** pursuant to the provisions of Section 152 (6) and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be and is hereby accorded to the re-appointment of Dr. Vinta Janardhana Reddy (DIN: 02414912) as a "Director", who shall be liable to retire by rotation."

**SPECIAL BUSINESS**

**4. TO INCREASE IN MANAGERIAL REMUNERATION OF MR. M B NARAYANA RAJU (DIN: 07993925), WHOLE-TIME DIRECTOR**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (including statutory amendments or re-enactments thereof for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable and as per the Memorandum and Articles of Association of the Company, the recommendation of the Nomination and Remuneration Committee, and in furtherance of the resolution passed in the Annual General Meeting held on 30<sup>th</sup> September 2020 and subject to such other approvals as may be necessary, approval of the Members be and are hereby accorded for payment of remuneration an amount of Rs. 1,08,000/- per month and such other allowances as mentioned in the explanatory statement to Mr. M B Narayana Raju (DIN: 07993925), Whole-Time Director, for the period from 5<sup>th</sup> December 2022 to 1<sup>st</sup> September 2023.

**“FURTHER RESOLVED THAT** in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** Mr. M B Narayana Raju (DIN: 07993925) is eligible for 1% profit sharing for the Financial Year 2023-24, based on the milestones set by the Board (which will include its committee thereof).

**FURTHER RESOLVED THAT** save and except as aforesaid, all other existing terms and conditions of appointment of Mr. M B Narayana Raju (DIN: 07993925) passed at Annual General Meeting held on 30th September 2020 shall continue to remain in full force and effect.

**FURTHER RESOLVED THAT** the Board (which will include its committee thereof) be and is hereby authorised to vary and / or revise the remuneration of Mr. M B Narayana Raju (DIN: 07993925) within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

**5. TO INCREASE IN MANAGERIAL REMUNERATION OF MR. M SITARAMA RAJU (DIN: 08576273), WHOLE-TIME DIRECTOR**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions of the Companies Act, 2013 (including statutory amendments or re-enactments thereof for the time being in force), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other rules, laws, regulations, guidelines or notifications as may be applicable and as per the Memorandum and Articles of Association of the Company, the recommendation of the Nomination and Remuneration Committee, and in furtherance of the resolution passed in the Annual General Meeting held on 30<sup>th</sup> September 2020 and subject to such other approvals as may be necessary, approval of the

Members be and are hereby accorded for payment of remuneration an amount of Rs. 1,08,000/- per month and such other allowances as mentioned in the explanatory statement to Mr. M Sitarama Raju (DIN: 08576273), Whole-Time Director, for the period from 5th December 2022 to 1<sup>st</sup> September 2023.

**“FURTHER RESOLVED THAT** in the event the Company does not have profits or the profit of the Company is inadequate in any financial year during his tenure as referred above, the amount of Salary and perquisites referred above shall be paid as minimum remuneration in terms of Section II of Part II of Schedule V to the Companies Act, 2013.”

**“RESOLVED FURTHER THAT** Mr. M Sitarama Raju (DIN: 08576273) is eligible for 1% profit sharing for the Financial Year 2023-24, based on the milestones set by the Board (which will include its committee thereof).

**RESOLVED FURTHER THAT** save and except as aforesaid, all other existing terms and conditions of appointment of Mr. M Sitarama Raju (DIN: 08576273), passed at Annual General Meeting held on 30<sup>th</sup> September 2020 shall continue to remain in full force and effect.

**RESOLVED FURTHER THAT** the Board (which will include its committee thereof) be and is hereby authorised to vary and / or revise the remuneration of Mr. M Sitarama Raju (DIN: 08576273), within limits permissible under the Act and do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid Resolution.”

**6. TO CONSIDER AND APPROVE RE-APPOINTMENT OF MR. M B NARAYANA RAJU (DIN: 07993925) AS A WHOLE TIME 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** in pursuance of the recommendations of the Nomination and Remuneration Committee of the Company and pursuant to Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Schedule V to the Act and the rules made there under, as amended from time to time, the approval of the members of the Company be and is hereby accorded for the re-appointment and continuation of Mr. M B Narayana Raju (DIN: 07993925) as a Whole Time Director of the Company, despite of attaining age of 70 years, for a period of 3 years with effective from 2<sup>nd</sup> September 2023 on the following terms and conditions .

**i. Period of Appointment**

The appointment is for a period of 3 years commencing from 2<sup>nd</sup> September 2023.

**ii. Salary**

The monthly remuneration payable shall be Rs. 2,16,000/- (Rupees Two Lakhs Sixteen Thousand Only) per month including House Rent and other allowances.

**iii. Perquisites**

**Medical Reimbursement:** Expenses incurred for himself and his family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

**Leave Travel Concession:**

One month's salary per year for himself and his family

**Club Fees:**

Subject to a maximum of two clubs. This will not include admission and Life membership Fees.

**Personal Accident Insurance:**

Premium not to exceed Rs. 10,000/- per annum.

**Provident Fund:**

Company's contribution towards Provident Fund at 12% of basic salary or at any rate applicable from time to time.

**Gratuity:**

Gratuity not exceeding half a month's salary for each completed year of service.

**Leave:**

Entitled to one month's leave, as per the rules of the Company on full pay, for every 11 months of service. Encashment of leave at the end of the tenure will not be included in computation of the ceiling on perquisites.

**Telephone, Electricity and Water charges for residence:**

Free telephone facility at the residence for the use of the Company's business and Free Electricity and Water charges for residence.

**Car:**

1. Use of Company's Car on Company's business with Driver and all expenses on maintenance, repairs, and cost of petrol. (Provision of Car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director).
2. Minimum remuneration: Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. M B Narayana Raju, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowance as specified above, subject to the limits specified in Companies Act, 2013 including amendments made thereto.
3. The terms and conditions of the appointment and / or Agreement may be altered or varied from time to time by the Board of Directors and/or a Committee of the Board as it may, in its discretion, deem fit, within the Maximum amount payable in accordance with the provisions contained in Companies Act' 2013, subject to amendments, if any, or any amendments made hereinafter in this regard.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

**7. TO CONSIDER AND APPROVE THE RE-APPOINTMENT OF MR. M SITARAMA RAJU (DIN: 08576273) AS A WHOLE-TIME 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** in pursuance of the recommendations of the Nomination and Remuneration Committee of the Company and pursuant to Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Schedule V to the Act and the rules made there under, as amended from time to time, the approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. M Sitarama Raju (DIN: 08576273) as a Whole-Time Director of the Company for a period of 3 years w.e.f. 2<sup>nd</sup> September 2023 and on the following terms and conditions.

**i. Period of Appointment**

The appointment is for a period of 3 years commencing from 2<sup>nd</sup> September 2023.

**ii. Salary**

The monthly remuneration payable shall be Rs. 2,16,000 /- (Rupees Two Lakhs Sixteen Thousand Only) per month including House Rent and other allowances.

**iii. Perquisites**

**Medical Reimbursement:** Expenses incurred for himself and his family subject to a ceiling of one month's salary in a year or 3 months' salary over a period of 3 years.

**Leave Travel Concession:**

One month's salary per year for himself and his family.

**Club Fees:**

Subject to a maximum of two clubs. This will not include admission and Life membership Fees.

**Personal Accident Insurance:**

Premium not to exceed Rs. 10,000/- per annum.

**Provident Fund:**

Company's contribution towards Provident Fund at 12% of basic salary or at any rate applicable from time to time.

**Gratuity:**

Gratuity not exceeding half a month's salary for each completed year of service.

**Leave:**

Entitled to one month's leave, as per the rules of the Company on full pay, for every 11 months of service. Encashment of leave at the end of the tenure will not be included in computation of the ceiling on perquisites.

**Telephone, Electricity and Water charges for residence:**

Free telephone facility at the residence for the use of the Company's business and Free Electricity and Water charges for residence.

**Car:**

1. Use of Company's Car on Company's business with Driver and all expenses on maintenance, repairs, and cost of petrol. (Provision of Car for use of Company's business and telephone at residence will not

be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director)

2. Minimum remuneration: Notwithstanding anything to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. M Sitarama Raju Raju, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowance as specified above, subject to the limits specified in Companies Act, 2013 including amendments made thereto.
3. The terms and conditions of the appointment and / or Agreement may be altered or varied from time to time by the Board of Directors and/or a Committee of the Board as it may, in its discretion, deem fit, within the Maximum amount payable in accordance with the provisions contained in Companies Act' 2013, subject to amendments, if any, or any amendments made hereinafter in this regard.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to do all acts, deeds and things as may be necessary to give effect to the aforesaid resolution."

**8. To consider and approve issue of warrants on a preferential basis**

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 23(1)(b), 62, read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 , 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 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 2018, as amended ("SEBI ICDR Regulations"), and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "SEBI Listing Regulations") the listing agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") on which the Equity Shares of the Company having face value of Rs.10/- (Ten) each ("Equity Shares") are listed and subject to any other rules, Ministry of Corporate Affairs ("MCA"), Securities and Exchange Board of India ("SEBI") and/ or any other competent authorities, (hereinafter referred to as "Applicable Regulatory Authorities") from time to time to the extent applicable and subject to such 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 on a preferential basis, in one or more tranches, up to 13,00,000 (Thirteen Lakhs) Share Warrants carrying an entitlement to subscribe to an equivalent number of Equity Shares having face value of Rs.10/- (Rupees Ten Only) each (hereinafter referred to as "Warrants") to the following persons belonging to Non-Promoter group, on such terms and conditions as may be deemed appropriate by the Board

S. No.	Name of Proposed allottee	Category	No of Warrants proposed to be issued
1.	Neeta Hemanth Ashar	Non-Promoter	4,00,000
2.	Vanaja Sunder Iyer	Non-Promoter	3,00,000
3.	Saurav Raidhani	Non-Promoter	1,00,000
4.	Prakash Diwan	Non-Promoter	50,000
5.	Sunil Kabra	Non-Promoter	50,000
6.	Penang Enterprises Private Limited	Non-Promoter	2,00,000
7.	Dhoot Industrial Finance Limited	Non-Promoter	1,50,000
8.	Prabhudas Lilladher advisory services Private Limited	Non-Promoter	50,000

at a price of Rs.403/- (Rupees Four Hundred and Three) which is being not less than the price determined in accordance with Chapter V of the SEBI 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** in accordance with SEBI ICDR Regulations, the 'Relevant Date' for determination of the issue price of Equity Shares resulting from the exercise of the option under the Warrants, shall be, 31st August 2023 being the date 30 (Thirty) days prior to the meeting of members of the Company is to be held to consider the Preferential Issue of Equity Shares resulting from the exercise of the option under the Warrants and the issue price determined in accordance with SEBI ICDR Regulations.”

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to determine, vary, modify, alter any of the terms and conditions of the proposed issue of Warrants including reduction of the size of the issue, as it may deem expedient, in its discretion.

**RESOLVED FURTHER THAT** without prejudice to the generality of the above, the issue of Warrants shall be subject to following terms:

- An amount equivalent to 50% of the issue price of Warrants shall be payable at the time of making the application for the allotment of Warrants,
- Balance exercise price i.e. 50% of the issue price of the Warrants will be payable by the Warrant holders at the time of exercising the Warrants.
- The Warrants shall be exercised by the Warrant Holder at any time before the expiry of 2 months from the date of allotment of the Warrants.
- In the event the Warrant Holder does not exercise the Warrants within 2 (Two) months from the date of allotment of the Warrants, the Warrants shall lapse and the amount paid on such Warrants shall stand forfeited by the Company;
- The Warrant Holder shall be entitled to exercise the option of exercising any or all of the Warrants in one or more tranches by way of a written notice to the Company, specifying the number of Warrants proposed to be exercised along with the aggregate amount thereon, without any further approval from the shareholders of the Company prior to or at the time of conversion. The Company shall accordingly, issue and allot the corresponding number of Equity Shares to the Warrant holder;



- vi. The Warrants and the equity shares proposed to be allotted upon their conversion shall be subject to a lock-in to be determined in accordance with the provisions specified under Chapter V of the SEBI (ICDR) Regulations.
- vii. The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Act, the Memorandum & Articles of Association of the Company and also the Regulations issued by SEBI or any other authority as the case may be, or any modifications thereof.
- viii. The Company shall re-compute the price of the Warrants / Equity Shares issued on conversion of Warrants in terms of the provisions of ICDR Regulations, where it is required to do so and the differential price, if any, shall be required to be paid by such Warrant Holder to the Company in accordance with the provisions of ICDR Regulations;
- ix. The Warrants by itself, until exercise of conversion option and allotment of Equity Shares, does not give to the Warrant holders thereof any rights with respect to that of a shareholder of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to issue and allot such number of Equity Shares of the Company as may be required to be issued and allotted upon exercise of the option in the Warrants held by the holder(s) of the Warrants and all such Equity Shares that are being allotted shall rank pari-passu with the then existing Equity Shares of the Company in all respects.

**RESOLVED FURTHER THAT** pursuant to the provisions of the Act and subject to receipt of such approvals as may be required under applicable law, the consent of the Members of the Company be and is hereby accorded to record the name and address of the allottees and issue a private placement offer cum application letter in the Form PAS-4 to the allottees inviting to subscribe to the Warrants in accordance with the provisions of the Act.

**RESOLVED FURTHER THAT** the Equity Shares having face value of Rs. 10 (Rupees Ten) each proposed to be allotted to the Warrant Holders, upon conversion of the Warrants, be listed on the BSE Limited and NSE, and that the Board be and is hereby authorized to make the necessary applications and to take all other steps as may be necessary for and in connection with the listing of such Equity Shares proposed to be allotted to the Warrant Holder, upon conversion of the Warrants, and for the admission of the Warrants and Equity Shares with the depositories, viz. NSDL & CDSL, and for the credit of the Warrants and Equity Shares allotted, upon conversion of the Warrants, to the Warrant Holder's dematerialized securities account.

**“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 stock exchanges and other appropriate authority may impose at the time of their approval and as agreed to by the Board other appropriate authority may impose at the time of their approval and as agreed to by the Board”

**“RESOLVED FURTHER THAT** the said Warrants shall be issued and allotted by the Company within a period of 15 (Fifteen) days from the date of passing of this resolution, provided that where the allotment of the said Warrants is pending on account of pendency of any approval for such allotment by any regulatory authority, the allotment shall be completed within a period of 15 (Fifteen) days from the date of receipt of last of such approvals.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Board may consider necessary, expedient or



desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the Preferential Issue of Warrants and the Equity Shares to be issued upon conversion of the Warrants without being required to seek any further clarification, consent or approval of the members and that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** subject to applicable laws, the Board be and is hereby also authorized to delegate, all or any of the powers herein conferred, to any Director(s) or officer(s) of the company and to revoke and substitute such delegation from time to time, as deemed fit by the Board, to give effect to the aforesaid resolution.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including issue of offer letter, making necessary filings with the stock exchanges and regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

**“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**

**Sd/-**  
**M B Narayana Raju**  
Whole-Time Director  
DIN: 07993925

Place: Hyderabad  
Date: 06.09.2023

**NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts relating to the business stated are annexed hereto.
2. The Ministry of Corporate Affairs ("MCA") has, vide its circular dated December 28, 2022 read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars and applicable provisions of the Companies Act, 2013 ("the Act") read with Rules made there under and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re- appointment at this AGM is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 24<sup>th</sup> September 2023 to 30<sup>th</sup> September 2023 (both days inclusive) for the purpose of giving effect to the transmission and transposition requests lodged with the Company.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting during the AGM will be provided by NSDL.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
9. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited ("KFin") for assistance in this regard.

10. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the RTA/Company.
11. To promote green initiative, Members who have not registered their email addresses are requested to register the same with their Depository Participants in case the shares are held by them in electronic form and with KFin, in case the shares are held in physical form.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to KFin in case the shares are held by them in physical form.
13. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website <https://www.kernex.in>. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to KFin in case the shares are held in physical form.
14. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFin, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
15. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
16. Members seeking any information with regard to the accounts or any matter to be placed at the AGM are requested to write to the Company on or before 20<sup>th</sup> September 2023 through email on [acs@kernex.in](mailto:acs@kernex.in). The same will be replied by the Company suitably.
17. Pursuant to the directions/notifications of Securities and Exchange Board of India (SEBI) and Depositories, the demat account holders can operate their accounts if they had already provided Income Tax Permanent Account Number either at the time of opening of the account or at any time subsequently. In case they have not furnished the Income Tax Permanent Account Number to the Depository Participants, such demat account holders are requested to contact their DPs with a photocopy of the PAN Card (with original PAN Card for verification), so that the frozen demat accounts would be available for operation and further consequences of non-compliance with the aforesaid directives would be obviated. SEBI, vide Circular ref.no. MRD/Dop/Cir-05/2009 dated May 20, 2009 made it mandatory to have PAN particulars for registration of physical share transfer requests. Based on the directive contained in the said circulars, all share transfer requests are therefore to be accompanied with PAN details. Members holding shares in physical form can submit their PAN details to the Company / RTA.
18. The Notice calling the AGM and Annual Report has been uploaded on the website of the Company at [www.kernex.in](http://www.kernex.in). The Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com). All documents referred to in the accompanying Notice shall be open for inspection by the Members by writing an e-mail to the Company [acs@kernex.in](mailto:acs@kernex.in).
19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 (collectively referred to as "MCA Circulars"), AGM Notice and Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on 1st September 2023. Members whose email IDs are not registered with the Company/Depositories are requested to follow the process provided further for registration of email IDs with the depositories for procuring user ID & password and registration of email IDs for e-voting for the resolutions set out in this notice.
20. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**Instructions for e-voting and joining the AGM are as follows:**

**The instructions for Members for Remote E-Voting are as under:-**

1. In view of the continuing Covid-19 pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular numbers 10/2022 dated December 28, 2022, 2/2022 dated May 5, 2022, 20/2021 dated 8<sup>th</sup> December, 2021, 10/2021 dated 23<sup>rd</sup> June, 2021, 39/2020 dated 31<sup>st</sup> December, 2020, 33/2020 dated 28<sup>th</sup> September, 2020, 22/2020 dated 15<sup>th</sup> June, 2020, 17/2020 dated 13<sup>th</sup> April, 2020, and 14/2020 dated 8<sup>th</sup> April, 2020 issued by the Ministry of Corporate Affairs (MCA) (collectively referred to as "MCA Circulars") and Circular Numbers SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 and SEBI/H/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020, and issued by Securities and Exchange Board of India ('SEBI Circular') permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio- Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021 and December 28, 2022 and the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Depository Services (India) Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at-least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kernex.in](http://www.kernex.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and NSE at [www.nse.com](http://www.nse.com). The AGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on Wednesday, 27<sup>th</sup> September 2023 (9:00 a.m. IST) and ends on Friday, 29<sup>th</sup> September 2023 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.**

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 23<sup>rd</sup> September 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date, being 23<sup>rd</sup> September 2023.

Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the Cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*





**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under '<b>IDeAS</b>' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting</b></li> </ol>

Type of shareholders	Login Method
	<p><b>service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <p> <b>App Store</b>     <b>Google Play</b></p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.



- c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period Now you are ready for e-Voting as the Voting page opens.
3. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
4. Upon confirmation, the message "Vote cast successfully" will be displayed.
5. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
6. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rao\\_ds7@yahoo.co.in](mailto:rao_ds7@yahoo.co.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com)

**Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [acs@kernex.in](mailto:acs@kernex.in).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [acs@kernex.in](mailto:acs@kernex.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.
3. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [acs@kernex.in](mailto:acs@kernex.in) from 24<sup>th</sup> September 2023 (9:00 a.m. IST) to 27<sup>th</sup> September 2023 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Members are encouraged to join the Meeting through Laptops for better experience.
6. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
8. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their names, demat account number/folio number, email id, mobile number at [acs@kernex.in](mailto:acs@kernex.in). The same will be replied by the company suitably.
9. The voting rights of Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on 23<sup>rd</sup> September 2023. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut- off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM.
10. The Company has appointed Mr. D S Rao, Practicing Company Secretary, Hyderabad, as the Scrutinizer to the e-voting process and voting at the AGM in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
11. The Chairman shall, at the general meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, with the assistance of scrutinizer, by using an electronic voting system for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.

A member can opt for only one mode of voting, i.e., either through remote e-voting or by Ballot. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and Ballot shall be treated as invalid.

12. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the AGM, thereafter unlock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than two working days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same and declare the results of voting forthwith.

The results declared along with the scrutinizer's report shall be placed on the Company's website: [www.kernex.in](http://www.kernex.in) and shall also be communicated to the stock exchanges. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed at the AGM of the Company scheduled to be held on 30<sup>th</sup> September 2023.

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

**Sd/-**  
**M B Narayana Raju**  
Whole-Time Director  
DIN: 07993925

Place: Hyderabad  
Date: 06-09-2023

**EXPLANATORY STATEMENT**

(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

As required by Section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all the material facts relating to the business mentioned under the accompanying Notice.

**ITEM NO. 04:**

Members are aware that Mr. M B Narayana Raju, was reappointed as a Whole-Time Director of the Company for a period of three years with effect from 2<sup>nd</sup> September 2020 till 1<sup>st</sup> September 2023, by means of Special Resolution passed by the Members at the 28<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September 2020 on the terms and conditions including payment of remuneration. In view of the rich experience and expertise knowledge, the Nomination and Remuneration committee and Board of Directors at their meeting held on 5<sup>th</sup> December 2022 approved for increase in remuneration as set out in the resolution and detailed hereunder;

**1. Remuneration:**

A) Salary: Rs. 1,08,000/- per month with authority to the Board of Directors and/or a Committee of the board, to vary the same from time to time

**B) Perquisites & Allowances:**

In addition to the salary payable, he shall also be entitled to the following perquisites and allowances

- i. House Rent Allowance @40% of the salary.
- ii. Special Monthly allowance @ 60% of the salary.
- iii. Reimbursement of Medical expenses incurred for self and his family not exceeding one month salary in a year or three months' salary in a block of three years.
- iv. Leave travel assistance: Expenses incurred for self and family in accordance with company's rules.
- v. Car: The Company shall provide a car for company's business.
- vi. Phone / cell phone: free except for personal long distance calls which shall be billed.
- vii. Club Fee: Subject to a maximum of two clubs. This will not include admission and life membership.
- viii. Group Medical Insurance and Personal Accident Insurance Premium as per the rules of the Company. I) Reimbursement of entertainment expenditure actually and properly incurred for the business of the Company.

Further, Nomination and Remuneration Committee and Board of Directors at their meetings held on 5<sup>th</sup> December 2023 have proposed to give 1% commission on the earned profits for the Financial Year 2023-24 subject to achievement of the milestones.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

**I. GENERAL INFORMATION:**

1	Nature of industry	The company is specialized in Integrating Technologies related to Wireless Front-end, Satellite Communication, Embedded Systems, Signal Processing, Network Management and Software development.
2	Date or expected date of commencement of commercial production	The company was incorporated in the year 1991 and the commercial production commenced simultaneously.

3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
4	Financial performance based on given indicators (Figures in Lakhs)	Financial year	2022-23	2021-22	2020-21
		Gross Revenue	330.99	716.15	1,740.95
		Profit/(loss) before tax	(1,938.07)	(1,622.41)	42.45
		Net Profit/(loss)	(1985.72)	(1,657.52)	37.18
5	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration. Further the Company has invested Rs. 480.19 lakhs in wholly owned subsidiary during the previous three financial years.			

**II. INFORMATION ABOUT THE APPOINTEE: Mr. M B NARAYANA RAJU:**

1	Background details	Mr. M B Narayana Raju is in the employment of the company for the past 23 years at a senior level with the designation of Chief Administrative and Commercial Officer and as a Whole Time Director from 20 <sup>th</sup> November'2017 and is looking after the General and Personnel Administration, liaison with all Government Agencies and Compliances
2	Past and Proposed remuneration	Past Remuneration: 90,000/- per month excluding HRA and Other Allowances.  Details on increased remuneration have been stated in this explanatory Statement of the Notice.
3	Recognition or awards	-NIL-
4	Job profile and his suitability	Mr. M B Narayana Raju is in the employment of the company for the past 23 years at a senior level with the designation of Chief Administrative and Commercial Officer and as a Whole Time Director from 20 <sup>th</sup> November'2017 is looking after the General and Personnel Administration, liaison with all Government Agencies and Compliances
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the Whole-Time Director, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior levels in other companies.

6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	There has no pecuniary relationship with the Company or its Key Managerial Personnel other than his remuneration in the capacity of Whole-Time Director. He is holding 2,087 shares in the Company in his personal capacity.
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### III. Other information:

#### 1. Reasons of loss or inadequate profits:

The increase in expenditure towards Research and Development and the fixed overheads also contributed for such inadequate profits. Further, due to the delay in government procedures to finalize the orders and realization of the payments after execution of such projects there was inadequate profits.

#### 2. Steps taken or proposed to be taken for improvement

The operations of the company are being scaled up to increase to revenues.

#### 3. Expected increase in productivity and profits in measurable terms

We expect a substantial increase in production which is leading to good improvement in operating margins.

None of the Directors/Key Managerial Personnel or their relatives is concerned or interested in the Resolution except Mr. M B Narayana Raju being interested in this resolution.

The Board of Directors recommends the Special Resolution as set out in Item No. 4 in the Notice for approval of the Shareholders.

### **ITEM NO. 05**

Members are aware that Mr. M Sitarama Raju, was appointed as a Whole-Time Director of the Company for a period of three years with effect from 2<sup>nd</sup> September 2020 till 1<sup>st</sup> September 2023, by means of Special Resolution passed by the Members at the 28<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September 2020 on the terms and conditions including payment of remuneration. In view of the rich experience and expertise knowledge, the Nomination and Remuneration committee and Board of Directors at their meeting held on 5<sup>th</sup> December 2022 approved for increase in remuneration as set out in the resolution and detailed hereunder ;

#### 1. Remuneration:

- A) Salary: Rs. 1,08,000/- per month with authority to the Board of Directors and/or a Committee of the board, to vary the same from time to time
- B) Perquisites & Allowances:

In addition to the salary payable, he shall also be entitled to the following perquisites and allowances

- i. House Rent Allowance @40% of the salary.
- ii. Special Monthly allowance @ 60% of the salary.
- iii. Reimbursement of Medical expenses incurred for self and his family not exceeding one month salary in a year or three months' salary in a block of three years.



- iv. Leave travel assistance: Expenses incurred for self and family in accordance with company's rules.
- v. Car: The Company shall provide a car for company's business.
- vi. Phone / cell phone: free except for personal long distance calls which shall be billed.
- vii. Club Fee: Subject to a maximum of two clubs. This will not include admission and life membership.
- viii. Group Medical Insurance and Personal Accident Insurance Premium as per the rules of the Company. I) Reimbursement of entertainment expenditure actually and properly incurred for the business of the Company.

Further, Nomination and Remuneration Committee and Board of Directors at their meetings held on 5<sup>th</sup> December 2022 have proposed to give 1% commission on the earned profits for the Financial Year 2023-24 subject to achievement of the milestones.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

**I. GENERAL INFORMATION:**

1	Nature of industry	The company is specialized in Integrating Technologies related to Wireless Front-end, Satellite Communication, Embedded Systems, Signal Processing, Network Management and Software development.			
2	Date or expected date of commencement of commercial production	The company was incorporated in the year 1991 and the commercial production commenced simultaneously.			
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
4	Financial performance based on given indicators (Figures in Lakhs)	Financial year	2022-23	2021-22	2020-21
		Gross Revenue	330.99	716.15	1,740.95
		Profit/(loss) before tax	(1,938.07)	(1,622.41)	42.45
		Net Profit/(loss)	(1985.72)	(1,657.52)	37.18
5	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration. Further the Company has invested Rs. 480.19 lakhs in wholly owned subsidiary during the previous three financial years.			

**II. INFORMATION ABOUT THE APPOINTEE: Mr. M Sitarama Raju:**

1	Background details	Mr. M Sitarama Raju holds a Bachelor Degree BS Computer Science and qualified in Minor in Business Administration. He also has over Two Decades of experience and expertise in International Business development, Project Management, Strategic planning, Operational planning, and financial acumen. Specialization in International Marketing.
2	Past and Proposed remuneration	Past Remuneration: 90,000/- per month excluding HRA and Other Allowances.  Details on Increased remuneration have been stated in this explanatory Statement of the Notice.
3	Recognition or awards	-NIL-
4	Job profile and his suitability	Mr. M Sitarama Raju holds a Bachelor Degree BS Computer Science and qualified in Minor in Business Administration. He also has over Two Decades of experience and expertise in International Business development, Project Management, Strategic planning, Operational planning, and financial acumen. Specialization in International Marketing.
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the Whole-Time Director, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior levels in other companies.
6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Sitarama Raju Manthena (DIN: 08576273), is a son of Dr. Anji Raju Manthena and Brother of Ms. Sreelakshmi Manthena.  Mr. Sitarama Raju Manthena (DIN: 08576273) is holding 7,12,992 (Seven Lakhs Twelve Thousand Nine Hundred and Ninety Two Only) equity shares constituting 4.61% of total equity share capital of the Company.

**III. Other information:**

**1. Reasons of loss or inadequate profits:**

The increase in expenditure towards Research and Development and the fixed overheads also contributed for such inadequate profits. Further, due to the delay in government procedures to finalize the orders and realization of the payments after execution of such projects there was inadequate profits.

**2. Steps taken or proposed to be taken for improvement**

The operations of the company are being scaled up to increase to revenues.

### 3. Expected increase in productivity and profits in measurable terms

We expect a substantial increase in production which is leading to good improvement in operating margins.

None of the Directors/ Key Managerial Personnel or their relatives is concerned or interested in the resolution except Mr. M Sitarama Raju (being interested), Dr. Anji Raju Manthena and Ms. Sree Lakshmi Manthena, Promoter Directors.

The Board of Directors recommends the Special Resolution as set out in Item No. 5 in the Notice for approval of the Shareholders.

#### **ITEM NO. 06**

Mr. M B Narayana Raju (DIN: 07993925) was appointed as the Whole time Director of the company. His tenure will be expiring on 1<sup>st</sup> September, 2023 and the members of the board, based on the recommendation of the Nomination and Remuneration Committee, on 13<sup>th</sup> August 2023 have reappointed him for a further period of 3 years at a remuneration of Rs. 2,16,000/- per month, with effect from 02<sup>nd</sup> September 2023, subject to the approval of the members at the ensuing Annual General Meeting of the company. Mr. M B Narayana Raju (DIN: 07993925) is in the employment of the company since last 23 years at a senior level with the designation of Chief Administrative and Commercial Officer and as a Whole Time Director from 20<sup>th</sup> November'2017 and has been looking after the General and Personnel Administration, Liaison with all Government Agencies and Compliances etc.,

Mr. M B Narayana Raju (DIN: 07993925) holds 2,087 (Two Thousand Eighty Seven Only) equity shares constituting 0.014% of total equity share capital of the Company. Mr. M B Narayana Raju (DIN: 07993925), does not have any directorship or membership of committee of Board in any other listed Company.

The Board of Directors recommends the resolution in relation to the appointment of Whole time Director, for the approval of the shareholders of the Company.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

#### **I. GENERAL INFORMATION:**

1	Nature of industry	The company is specialized in Integrating Technologies related to Wireless Front-end, Satellite Communication, Embedded Systems, Signal Processing, Network Management and Software development.			
2	Date or expected date of commencement of commercial production	The company was incorporated in the year 1991 and the commercial production commenced simultaneously.			
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
4	Financial performance based on given indicators (Figures in Lakhs)	Financial year	2022-23	2021-22	2020-21
		Gross Revenue	330.99	716.15	1,740.95
		Profit/(loss) before tax	(1,938.07)	(1,622.41)	42.45
		Net Profit/(loss)	(1985.72)	(1,657.52)	37.18

5	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration. Further the Company has invested Rs. 480.19 lakhs in wholly owned subsidiary during the previous three financial years.
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**II. INFORMATION ABOUT THE APPOINTEE: Mr. M B NARAYANA RAJU:**

1	Background details	Mr. M B Narayana Raju is in the employment of the company for the past 23 years at a senior level with the designation of Chief Administrative and Commercial Officer and as a Whole Time Director from 20 <sup>th</sup> November'2017 and is looking after the General and Personnel Administration, liaison with all Government Agencies and Compliances
2	Past and Proposed remuneration	Past Remuneration: 1,08,000/- per month excluding HRA and Other Allowances.(considering the resolution 4) Proposed Remuneration: Details are set out in the resolution no. 6
3	Recognition or awards	-NIL-
4	Job profile and his suitability	Mr. M B Narayana Raju is in the employment of the company for the past 23 years at a senior level with the designation of Chief Administrative and Commercial Officer and as a Whole Time Director from 20 <sup>th</sup> November'2017 is looking after the General and Personnel Administration, liaison with all Government Agencies and Compliances
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the Whole-Time Director, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior levels in other companies.
6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	There has no pecuniary relationship with the Company or its Key Managerial Personnel other than his remuneration in the capacity of Whole-Time Director. He is holding 2,087 shares in the Company in his personal capacity.

**III. Other information:**

**1. Reasons of loss or inadequate profits:**

The increase in expenditure towards Research and Development and the fixed overheads also contributed for such inadequate profits. Further, due to the delay in government procedures to finalize the orders and realization of the payments after execution of such projects there was inadequate profits.

**2. Steps taken or proposed to be taken for improvement**

The operations of the company are being scaled up to increase to revenues.

### 3. Expected increase in productivity and profits in measurable terms

We expect a substantial increase in production which is leading to good improvement in operating margins. None of the Directors/Key Managerial Personnel or their relatives is concerned or interested in the Resolution except Mr. M B Narayana Raju being interested in this resolution.

The Board of Directors recommends the Special Resolution as set out in Item No. 6 in the Notice for approval of the Shareholders.

#### ITEM NO. 07

Mr. M Sitarama Raju (DIN: 08576273) was appointed as the Whole time Director of the company. His tenure will be expiring on 1<sup>st</sup> September, 2023. The members of the board, based on the recommendation of the Nomination and Remuneration Committee, on 13<sup>th</sup> August 2023 have reappointed him for a further period of 3 years with a remuneration of Rs. 2,16,000/- per month, with effect from 02<sup>nd</sup> September 2023, subject to the approval of the members at the ensuing Annual General Meeting of the company.

Mr. M Sitarama Raju (DIN: 08576273) holds a Bachelor Degree BS Computer Science and qualified in Master in Business Administration. He has over Two Decades of experience and expertise in International Business development, Project Management, Strategic planning, Operational planning and financial acumen. Specialization in International Marketing.

Mr. M Sitarama Raju (DIN: 08576273), is a son of Dr. Anji Raju Manthena and Brother of Ms. Sreelakshmi Manthena. Mr. Sitarama Raju Manthena (DIN: 08576273), holds 7,12,992 (Seven Lakhs Twelve Thousand Nine Hundred and Ninety Two Only) equity shares constituting 4.61% of total equity share capital of the Company. Mr. M Sitarama Raju (DIN: 08576273), does not have any directorship or membership of committee of Board in any other listed Company. The Board of Directors recommends the resolution in relation to the appointment of Managing Director for the approval of the shareholders of the Company.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

#### I. GENERAL INFORMATION:

1	Nature of industry	The company is specialized in Integrating Technologies related to Wireless Front-end, Satellite Communication, Embedded Systems, Signal Processing, Network Management and Software development.			
2	Date or expected date of commencement of commercial production	The company was incorporated in the year 1991 and the commercial production commenced simultaneously.			
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
4	Financial performance based on given indicators (Figures in Lakhs)	Financial year	2022-23	2021-22	2020-21
		Gross Revenue	330.99	716.15	1,740.95
		Profit/(loss) before tax	(1,938.07)	(1,622.41)	42.45
		Net Profit/(loss)	(1985.72)	(1,657.52)	37.18

5	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration. Further the Company has invested Rs. 480.19 lakhs in wholly owned subsidiary during the previous three financial years.
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**II. INFORMATION ABOUT THE APPOINTEE: Mr. M Sitarama Raju:**

1	Background details	Mr. M Sitarama Raju holds a Bachelor Degree BS Computer Science and qualified in Minor in Business Administration. He also has over Two Decades of experience and expertise in International Business development, Project Management, Strategic planning, Operational planning, and financial acumen. Specialization in International Marketing.
2	Past and Proposed remuneration	Past Remuneration: 1,08,000/- per month excluding HRA and Other Allowances. Proposed Remuneration: Details are mentioned in the resolution no. 7.
3	Recognition or awards	-NIL-
4	Job profile and his suitability	Mr. M Sitarama Raju holds a Bachelor Degree BS Computer Science and qualified in Minor in Business Administration. He also has over Two Decades of experience and expertise in International Business development, Project Management, Strategic planning, Operational planning, and financial acumen. Specialization in International Marketing.
5	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the Whole-Time Director, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior levels in other companies.
6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Mr. Sitarama Raju Manthena (DIN: 08576273), is a son of Dr. Anji Raju Manthena and Brother of Ms. Sreelakshmi Manthena.  Mr. Sitarama Raju Manthena (DIN: 08576273) is holding 7,12,992 (Seven Lakhs Twelve Thousand Nine Hundred and Ninety Two Only) equity shares constituting 4.61% of total equity share capital of the Company.

**III. Other information:**

**1. Reasons of loss or inadequate profits:**

The increase in expenditure towards Research and Development and the fixed overheads also contributed for such inadequate profits. Further, due to the delay in government procedures to finalize the orders and realization of the payments after execution of such projects there was inadequate profits.

**2. Steps taken or proposed to be taken for improvement**

The operations of the company are being scaled up to increase to revenues.

**3. Expected increase in productivity and profits in measurable terms**

We expect a substantial increase in production which is leading to good improvement in operating margins.

None of the Directors/ Key Managerial Personnel or their relatives is concerned or interested in the resolution except Mr. M Sitarama Raju (being interested), Dr. Anji Raju Manthana and Ms. Sree Lakshmi Manthana, Promoter Directors.

The Board of Directors recommends the Special Resolution as set out in Item No. 7 in the Notice for approval of the Shareholders.

**ITEM NO. 8**

The Board of Directors of the Company, in its meeting held on 6<sup>th</sup> September, 2023, subject to the approval of the members of the Company and such other approvals as may be required, approved the proposal for raising funds by way of issuance and allotment of upto 13,00,000 (Thirteen Lakhs) Warrants carrying an entitlement to subscribe to an equivalent number of Equity Shares having face value of Rs.10/- (Rupees Ten Only) each on preferential basis to Non-Promoter Investors mentioned in the resolution no. 8.

Since the Company is a listed Company, the proposed Preferential Issue is in terms of the provisions of the SEBI ICDR Regulations, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 (as amended), and other applicable provisions, if any and Sections 42 and 62(1) 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 are to be complied.

**The information as required under SEBI (ICDR) Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are given below:**

**A. Objects of the Preferential issue**

The Company proposes to raise funds through issue of Warrants on preferential basis to:

1. Meet funding requirements of various ongoing Projects of the Company /its subsidiaries/JVs (in which the Company is a partner),
2. Meet working capital requirements to strengthen financial position
3. Repay Inter Corporate Deposits/ Unsecured Loans and interest thereon.
4. General corporate purposes.



**B. Maximum number of specified securities to be issued**

The Board of Directors in its meeting held on 6<sup>th</sup> September, 2023 had approved the issue of Warrants and accordingly proposes to issue and allot in aggregate upto 13,00,000 (Thirteen Laksh) Warrants to be converted into equal number of Equity Shares of Rs. 10/- each to Non-Promoter Investors on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations.

**C. Amount which the company intends to raise by way of such securities;**

Rs. 52.39 Crores (Rupees Fifty Two Crores and Thirty Nine Lakhs Only) only or such other amount upon issue of 13,00,000 Share Warrants as said above at a price calculated in terms of the regulation 164 of Chapter V of SEBI (ICDR) Regulations

**D. Intention of promoters or their associates and relatives, directors or key managerial personnel of the issuer:**

None of the promoters or their associates and relatives, directors or key managerial personnel is intend to subscribe to the offer

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

S.No.	Category	#Pre-Issue Equity		\$Post Equity Issue	
A	Promoter Holding	No of shares held	% of shareholding	No of shares held	% of shareholding
1	<b>Indian</b>				
	Individuals/PAC	2,392	0.02	2,392	0.01
	Bodies Corporate	-	0.00	-	-
	Any Other	-	0.00	-	-
	<b>Sub Total A 1</b>	<b>2,392</b>	<b>0.02</b>	<b>2,392</b>	<b>0.01</b>
2	<b>Foreign Promoter</b>				
	Individuals/NRI/Foreign individuals/PAC	48,82,320	31.58	48,82,320	29.13
	Bodies Corporate	-	0.00	-	0.00
	<b>Sub Total A 2</b>	<b>48,82,320</b>	<b>31.58</b>	<b>48,82,320</b>	<b>29.13</b>
	<b>Total Promoters Group A= A1+A2</b>	<b>48,84,712</b>	<b>31.60</b>	<b>48,84,712</b>	<b>29.15</b>
<b>B</b>	<b>Public/Non-Promoters' Shareholding</b>				
<b>1</b>	<b>Institutional Investors</b>				
A	Mutual Funds/Banks/FI	-	0.00	-	0.00
B	Foreign Portfolio Investors				
	Category I	0	0.00	0	0.00
C	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	10,563	0.07	10,563	0.06
	<b>Sub Total B</b>	<b>10,563</b>	<b>0.07</b>	<b>10,563</b>	<b>0.06</b>

<b>2</b>	<b>Non Institutions</b>				
	<b>Directors and their Relatives</b>	19,75,509	<b>12.78</b>	19,75,509	<b>11.79</b>
	Individual share capital upto Rs. 2 Lacs	33,77,913	<b>21.85</b>	33,77,913	<b>20.16</b>
	Individual share capital in excess of Rs. 2 Lacs	29,03,256	<b>18.78</b>	38,03,256	<b>22.69</b>
	Non-Resident Indian (NRI)	5,49,034	<b>3.55</b>	5,49,034	<b>3.28</b>
	Clearing Members	0	<b>0.00</b>	0	<b>0.00</b>
	Foreign Bodies Corporate	0	<b>0.00</b>	0	<b>0.00</b>
	Indian Bodies Corporate	13,54,868	<b>8.76</b>	17,54,868	<b>10.47</b>
	Foreign Nationals	0	<b>0.00</b>	0	<b>0.00</b>
	Others (HUF, NBFC and Trusts)	4,03,567	<b>2.61</b>	4,03,567	<b>2.41</b>
	<b>Sub Total B 2</b>	<b>1,05,64,147</b>	<b>68.33</b>	<b>1,18,64,147</b>	<b>70.79</b>
	<b>Total Public Share holding B-B1+B2</b>	<b>1,05,74,710</b>	<b>68.40</b>	<b>1,18,74,710</b>	<b>70.85</b>
	<b>GRAND TOTAL A+B</b>	<b>1,54,59,422</b>	<b>100.00</b>	<b>1,67,59,422</b>	<b>100.00</b>

# Pre-issue shareholding pattern as on 30.06.2023

\$ The post issue shareholding percentage is arrived after considering all the warrants converted into Equity Shares. Consequently, the post-issue shareholding percentage mentioned above may stand altered.

**F. Proposed time within which the allotment shall be completed:**

As required under the ICDR Regulations, the Company shall complete the allotment of warrants 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.

**G. 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.**

Sr. No.	Identity of proposed Preferential Allottee	Ultimate Beneficial Owner of the proposed Allottee(s)	Pre issue holding	% to Pre-issue Capital	Warrants proposed to be allotted	No. of Shares after conversion	% of shares on conversion*
1	Non-Promoters Neeta Hemant Ashar	NA	8,100	0.05	4,00,000	4,08,100	2.44
2	Vanaja Sunder Iyer	NA	-	NA	3,00,000	3,00,000	1.79
3	Saurav Raidhani	NA	-	NA	1,00,000	1,00,000	0.60
4	Prakash Diwan	NA	-	NA	50,000	50,000	0.30
5	Kabra Sunil Murlimanohar	NA	-	NA	50,000	50,000	0.30

6	\$Penang Enterprises Private Limited	Rajiv Gunvantlal Shah	1,06,528	0.69	2,00,000	3,06,528	1.83
7	#Dhoot Industrial Finance Limited (A listed company with BSE)	Rohit Rajgopal Dhoot	-	NA	1,50,000	1,50,000	0.90
8	@Prabhudas Lilladher advisory services Private Limited	Amisha N Vora	-	NA	50,000	50,000	0.30

\$Penang Enterprises Private Limited: Rajiv Gunvantlal Shah, Pranav Shah, Sohini Shah, Gunvantlal Shah are holding 81.24% in the Company and each one is holding 20.31%. Rajiv Gunvantlal Shah has control over the affairs of the Company and he is the beneficial owner of the Company

# Dhoot Industrial Finance Limited: It is Listed Company and the promoters are holding 69.07%. Mr. Rohit Kumar Dhoot is holding 17.30% in the Company and he is control over the affairs of the Company. He is the beneficial owner of the Company

@ Prabhudas Lilladher advisory services Private Limited: Mrs. Amisha N Vora is holding 48% in the Company and M/s. Conviction Capital Private Limited is holding 48% in the Company. Mrs. Amisha N Vora is holding 99% in M/s. Conviction Capital Private Limited and she is the beneficial owner.

\*post issue shareholding pattern has been arrived at assuming that all the warrants are converted into equity shares.

#### **H. Undertakings**

In terms of SEBI (ICDR) Regulations, 2018, the Company hereby undertakes that:

- It shall re-compute the price of the Warrants 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 Warrants shall continue to be locked- in till the time such amount is paid by the proposed allottees.

#### **I. Terms of Issue of the Warrants, if any**

- Allotment of 13,00,000 Warrants for cash to Non-Promoters of the Company.
- The Warrants shall be issued for consideration payable in cash
- 50% of the total amount payable for preferential issue of Warrants shall be received by the Company prior to the allotments
- The Warrants shall be exercised within a period of 2 months from the date of their allotment, in one or more tranches.
- At the time of exercise, the Warrant Holder(s) shall pay the balance 50% of the consideration payable in respect of the Warrants so being exercised,
- The Warrants issued pursuant to the abovementioned resolution and equity shares issued upon the Conversion shall be subject to lock-in in accordance with the SEBI (ICDR) Regulations..
- The Equity Shares, allotted pursuant to conversion of Warrants, shall rank pari passu inter se and with the then existing equity shares of the Company in all respects, including in relation to right to dividend.

#### **J. Pricing of Preferential Issue:**

The Board has fixed the price of Rs. 403/- per Warrant in terms of regulation 164 of SEBI (ICDR) Regulations, 2018

#### **K. Basis on which the price would be arrived at**

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited ("NSE") (together referred to as the "Stock Exchanges"). The Equity Shares are frequently traded in terms of the SEBI ICDR Regulations on NSE, being the Stock Exchange with higher trading volumes for the said period, has been considered for determining the floor price in accordance with the SEBI ICDR Regulations. Further, in terms of Regulation 166A of SEBI (ICDR) Regulations, the said preferential issue, will not result in allotment of

more than five per cent of the post issue fully diluted share capital of the Company, to an allottee or to allottees acting in concert, hence valuation report from an independent registered valuer for determining the price is not applicable.

In terms of the applicable provisions of the Chapter V of SEBI (ICDR) Regulations, the minimum price for the preferential issue of each equity share to be issued shall be a price, being higher of the following:

- i. Average of 90 trading days of volume weighted average price of the Equity Shares of the Company quoted on the NSE preceding the Relevant Date is Rs. 361.48/- (Rupees Three Hundred and Sixty One and paise Forty Eight only); or
- ii. Average of 10 trading days of volume weighted average price of the Equity Shares of the Company quoted on the NSE preceding the Relevant Date is Rs. 402.34 /- (Rupees Four Hundred and Two and paise Thirty Four only);

The Board has fixed the floor price as Rs. 403/- (Rupees Four Hundred and Three) per equity share and the said price fixed by the Board is highest of the above two prices calculated in terms of the SEBI (ICDR) Regulation and other applicable provisions.

**L. Name and address of valuer who performed valuation;**

NotApplicable

**M. The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.**

NotApplicable

**N. Relevant Date**

In terms of the provisions of Chapter V of the SEBI (ICDR) Regulations, relevant date for determining the floor price for this Preferential Allotment of Warrants is 31<sup>st</sup> August 2023 being the 30 days prior to the date of Annual General Meeting.

**O. Class or Classes of Persons to whom the allotment is proposed to be made**

The allotment is proposed to be made to the Non-Promoter Investors as mentioned below:-

S.No.	Name of the Proposed Allottee	Current Status of the Allottee	Proposed Status of the Allottee
1	Neeta Hemant Ashar	Non-Promoter	Non-Promoter
2	Vanaja Sunder Iyer	Non-Promoter	Non-Promoter
3	Saurav Raidhani	Non-Promoter	Non-Promoter
4	Prakash Diwan	Non-Promoter	Non-Promoter
5	Kabra Sunil Murlimanohar	Non-Promoter	Non-Promoter
6	Penang Enterprises Private Limited	Non-Promoter	Non-Promoter
7	Dhoot Industrial Finance Limited	Non-Promoter	Non-Promoter
8	Prabhudas Lilladher advisory services Pvt. Ltd.	Non-Promoter	Non-Promoter

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

The existing Promoters of the Company will continue to be in control of the Company and there will not be any change in the management or control of the Company as a result of the proposed preferential issue.

However, the percentage of shareholding and voting rights exercised by the shareholders of the Company will change in accordance with the change in the shareholding pattern pursuant to the Preferential Allotment.

**Q. 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, the Company has not allotted any equity shares on preferential basis.

**R. Lock-in period**

The Warrants and Shares to be issued upon conversion shall be subject to Lock-in as provided under the provisions of Chapter V of SEBI (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 90 trading days from the date of allotment of said warrants as per Regulation 167 of the SEBI (ICDR) Regulations.

**S. Certificate from Practicing Company Secretaries**

A certificate from Mr. D S Rao, Practicing Company Secretary certifying that the issue of equity shares on preferential basis is being made in accordance with requirements of Chapter V of the SEBI (ICDR) Regulations, 2018 shall be available for inspection at the Registered office of the Company on all working days (excluding Saturdays and Sundays) during 10:00 A.M. to 5:00 P.M. up to the date of Annual General Meeting and all also be available during the Annual General Meeting.

The said Certificate will be uploaded on the Investor Relations page on the website of the Company i.e., [www.kernex.in](http://www.kernex.in) before the Annual General Meeting

**T. Details of the Directors, Key Managerial Persons or their relatives, in any way, concerned or interested in the said resolution.**

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution.

**U. Other disclosures**

In accordance with SEBI (ICDR) Regulations,

- i. The Company has not allotted any equity shares on preferential basis in the financial year.
- ii. Neither the Company nor any of its Promoters and Directors has been declared as a willful defaulter or a fraudulent borrower or a fugitive economic offender.
- iii. The pre- preferential holding of the proposed allottees is in the dematerialized form.
- iv. The Regulation 166A of the Chapter V of SEBI (ICDR) Regulations are not applicable as the Warrants or Shares are not being allotted more than 5% or more of the post issue fully diluted share capital of Company are allotted to an allottee or to allottees acting in concert.
- v. The issue of Warrants shall be made in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Companies Act, 2013 and relevant regulations of SEBI (ICDR) Regulations and shall be made in a dematerialized form only.

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 recommends the passing of the resolution as set out in Item No. 8 as special resolution for your approval.

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

**Sd/-**  
**M B Narayana Raju**  
Whole-Time Director  
DIN: 07993925

Place: Hyderabad  
Date: 06.09.2023

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

<b>Particulars</b>	<b>Mr. Badari Narayana Raju Manthena</b>	<b>Mr. Sitarama Raju Manthena</b>
Date of Birth	August 01, 1954	June 24, 1973
Date of Appointment	September 02, 2023	September 02, 2023
Qualifications	Bachelor Degree in Commerce from Andhra University	BS Computer Science with Business Administration
Expertise in specific Functional area	Mr. Badari Narayana Raju Manthena is in the employment of the company for the past 23 years at a senior level with the designation of Chief Administrative and Commercial Officer and is looking after the General and Personnel Administration, Liaison with all Government Agencies and Compliances	He has Two Decades of experience and expertise in International Business development, Project Management, Strategic planning/ Operational planning, and financial acumen. Specialization in International Marketing
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	2,087	7,12,992