D.S. RAO
Practicing Company Secretary

☎ : 040-23352185/86
✆ : +91 9490793525
✉ : rao_ds7@yahoo.co.in

ANNUAL SECRETARIAL COMPLIANCE REPORT

I, **D.S. Rao, Practicing Company Secretary** have examined:

(a) All the documents and records made available to me and explanation provided by **Kernex Microsystems (India) Limited** ("the listed entity/ the Company"),
(b) The filings/ submissions made by the listed entity to the stock exchanges,
(c) Website of the listed entity,
(d) Any other document/ filing, as may be relevant, which has been relied upon to make this report,

for the financial year ended **31st March,2026** ("Review Period") in respect of compliance with the provisions of:

(a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
(b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

(a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(b) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
(c) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(d) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
(e) SEBI (Buyback of Securities) Regulations, 2018; - *Not Applicable to the listed entity for the audit period.*
(f) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - *Not Applicable to the listed entity for the audit period.*
(g) SEBI (Prohibition of Insider Trading) Regulations, 2015;
(h) The Depositories Act, 1996;
(i) SEBI (Depositories and Participants) Regulations, 2018.

and based on the above examination, I hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	1
Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015.
Regulation/ Circular No.	9(1)
Deviations	Dr.Janardhana Reddy Vinta having, a designated person of the Company has undertaken Contra-trade in the Securities of the Company during the period August 13, 2024 to March 18, 2025 in violation of Reg. 9(1) of SEBI (PIT) Regulations.
Action Taken by	The Company

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Address: 6-3-347/22/2, Flat No. 10, 4th Floor, Iswarya Nilayam, Dwarakapuri Colony, Punjagutta, Hyderabad - 500082

Type of Action	The Company has levied a penalty of Rs.15,000/- and the same has been collected and deposited with SEBI Investor Protection and Education Fund (IPEF) on June 09, 2025.
Details of Violation	Dr.Janardhana Reddy Vinta, a designated person of the Company has undertaken Contra-trade in the Securities of the Company during the period August 13, 2024 to March 18, 2025 in violation of Reg. 9(1) of SEBI (PIT) Regulations, 2015.
Fine Amount	Rs.15,000/-
Observations/ Remarks of the Practicing Company Secretary	Dr.Janardhana Reddy Vinta, designated person of the Company has undertaken Contra-trade of the Securities of the Company from August 13, 2024 to March 18, 2025 in violation of Reg. 9(1) of SEBI (PIT) Regulations. The Company has levied a penalty of Rs.15,000/- and the same has been collected and deposited with IPEF on June 09, 2025. *However, it is observed that on the verification of records, the profit which was made on the said transactions has not been disgorged for remittance to IPEF by said designated person.*
Management Response	Audit Committee has directed the Compliance Officer to coordinate with Dr.Janardhana Reddy Vinta for arriving the profits, if any, and to disgorge the same for remittance to IPEF Account.
Remarks	*The profit made on the trades in violation of the provisions of SEBI PIT Regulations shall immediately be disgorged for remittance to IPEF Account.* Further, the Company should have weekly monitoring on all transactions of designated persons and a familiarization program on PIT Regulations and Code of Conduct should be conducted periodically for designated persons and connected persons to mitigate the non-compliance.

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	1	2
Observations/ Remarks of the Practicing Company Secretary (PCS) in the previous reports).	Non-Submission of Consolidated Financial Results for the Quarter ended 31st December, 2023 within the stipulated time.	Non-Submission of Financial Results for the Quarter & Year Ended 31st March 2024 within the stipulated time.
Observations made in the Secretarial Compliance report for the year ended 2025.	Consolidated Financial Results for the quarter ended 31st December, 2023 have been submitted on 30th May, 2024. Therefore, the deviation continued until 30th May, 2024.	Financial Results for the Quarter & Year Ended 31st March 2024 have been submitted on 13th July, 2024. Therefore, the deviation continued until 13th July, 2024
Compliance Requirement (Regulations/circulars/guidelines including specific clause).	Submission of Quarterly Consolidated Financial Results for the quarter ended 31st December 2023 to stock exchanges in terms of Reg. 33 of SEBI (LODR) Regulations.	Submission of Quarterly Financial Results for the Quarter & Year Ended 31st March 2024 to stock exchanges in terms of Reg. 33 of SEBI (LODR) Regulations.
Details of violation /Deviations and actions taken /penalty imposed, if any, on the listed entity.	BSE and NSE levied fine for non-submission of consolidated financial results for the quarter December 2023.	BSE and NSE levied fine for non-submission of financial results for the Quarter & Year Ended 31st March 2024.

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Remedial actions, if any, taken by the listed entity.	The Company belatedly submitted Consolidated Financial Results for the said quarter on 30th May, 2024 to stock exchanges. BSE and NSE levied Fine up to 30th May, 2024 of Rs.6,25,400/- (Including GST) each which were duly paid by the management.	The Company belatedly submitted Financial Results for the Quarter & Year Ended 31st March 2024 on 13th July, 2024. BSE and NSE levied Fine up to 13th July, 2024 of Rs. 2,59,600/- (Including GST) each which were duly paid by the management.
Comments of the PCS on the Actions taken by the listed entity.	Stock exchanges levied fine for delay and the same has been paid.	Stock exchanges levied fine for delay and the same has been paid.

I. I hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/ NA)	Observations/ Remarks by PCS
1.	**Secretarial Standards:** The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).	YES	NIL
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/ guidelines issued by SEBI.	YES	NIL
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website.	YES	NIL
4.	**Disqualification of Director:** None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	YES	NIL

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5.	**Details related to Subsidiaries of listed entities have been examined w.r.t.:** (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries.	YES	NIL
6.	**Preservation of Documents:** The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	NIL
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	YES	NIL
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	YES	NIL
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	NIL
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	NIL
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	NA	NIL

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12.	**Resignation of statutory auditors from the listed entity or its material subsidiaries:** In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and/or its material subsidiary(ies) has/have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	NIL
13.	**Additional non-compliances, if any:** No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NA	NIL

I further, report that the listed entity is in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations.

Note:

1. *In terms of Circular vide No. Cir/ISD/3/2011 dated 17th June, 2011 and Reg. 31 (2) of the SEBI (LODR) Regulations, the Company has not achieved 100% of Promoters' and Promoters Group's shareholding in dematerialized form.*

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.

2. My responsibility is to report based upon my examination of relevant documents and information. This is neither an audit nor an expression of opinion.

3. I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.

4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

DATE: MAY 30, 2026
PLACE: HYDERABAD

CS D.S.RAO, PCS
M NO: A12394
CP NO. 14487
UDIN: A012394H000550954
PEER REVIEW CER. NO. 1817/2022