



## SECRETARIAL COMPLIANCE REPORT

I, **D.S.RAO, PCS** have examined:

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

for the financial year ended **31<sup>st</sup> March, 2024** ("Review Period") in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- 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: -

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (Hereinafter referred as "LODR" Regulations)
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; -  
*Not Applicable to the listed entity for the audit period.*
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; - *Not Applicable to the listed entity for the audit period.*
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - *Not Applicable to the listed entity for the audit period.*
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Depositories Act, 1996



i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

I. (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:

Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Submission of Quarterly Consolidated Financial Results for the quarter ended December 2023 to stock exchanges in terms of Reg. 33 of SEBI (LODR) Regulations.
Regulation/ Circular No.	Reg. 33 of SEBI (LODR) Regulations
Deviations	<i>The Company has not submitted the Consolidated financial results for the quarter ended December 2023.</i>
Action Taken	BSE Limited and National Stock Exchange Limited (NSE)
Type of Action	Levied Fine up to 1 <sup>st</sup> April, 2024.
Details of Violation	<i>Non-Submission of Consolidated Financial Results for the Quarter ended 31<sup>st</sup> December 2023.</i>
Fine Amount	Rs. 5,54,600/- (Including GST)
Observations/ Remarks of the Practicing Company Secretary	BSE and NSE levied fine for non-submission of consolidated financial results for the quarter December 2023.
Management Response	Based on the management adherence for strictly complying with the non-compliance on the penalties imposed by the Stock Exchanges NSE and BSE on under regulation 33 of SEBI LODR Regulations 2015 for the quarter ended on 31 <sup>st</sup> December 2023 within the time prescribed, advised to send a letter to NSE and BSE requesting to condone the fine levied for the above said non-compliance.
Re- marks	<i>Consolidated Financial Results for the quarter ended 31<sup>st</sup> December, 2023 have been submitted on 30<sup>th</sup> May, 2024. Therefore, the deviation continued until 30<sup>th</sup> May, 2024.</i>

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

S. N o.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 <sup>st</sup> March, 2023.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity
						NIL



**II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:**

S. No.	Particulars	Compliance Status(Yes/No/ NA)	Observations/ Remarks by PCS*
1.	Compliances with the following conditions while appointing/re-appointing an auditor NOT APPLICABLE		
2.	Other conditions relating to resignation of statutory auditor NOT APPLICABLE		
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019	NA	NIL

**III. we 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)	Observation s/Remarks by PCS*
1.	<b>Secretarial Standards:</b> 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.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/ circulars/ guidelines issued by SEBI</li> </ul>	YES YES	NIL NIL



*[Handwritten signature]*

3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website.</li> <li>Timely dissemination of the documents/ information under a separate section on the website.</li> <li>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.</li> </ul>	YES YES YES	NIL NIL NIL
4.	<b>Disqualification of Director:</b> 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
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries.	NA YES	NIL NIL
6.	<b>Preservation of Documents:</b> 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.	<b>Performance Evaluation:</b> 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.	<b>Related Party Transactions:</b> (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 YES	NIL NIL
9.	<b>Disclosure of events or information:</b> 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.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	NIL



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11.	<b>Actions taken by SEBI or Stock Exchange(s), if any:</b> 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.	YES	NIL
12.	<b>Additional Non-compliances, if any:</b> No additional non-compliance observed for any SEBI regulation/circular/guidance note etc. except as provided under separate paragraph herein.	YES	NIL

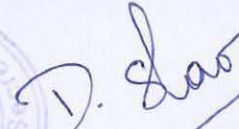

**Note:**

1. In terms of Circular vide No. Cir/ISD/3/2011 dated 17<sup>th</sup> 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.
2. Consolidated Financial Results for the Quarter ended 31<sup>st</sup> December'2023 have been submitted on 30<sup>th</sup> May, 2024. The deviation under regulation 33 of LODR Regulation continued up to 30<sup>th</sup> May, 2024.

**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. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We 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, 2024**  
**PLACE: HYDERABAD**

  
  
**CS D.S.RAO; PCS**  
**M.NO.: A12394**  
**CP.NO.: 14487**  
**UDIN: A012394F000502213**  
**PEER REVIEW CER NO.: 1817/2022**