



# KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001-2015 Certified Company)

CIN : L30007TG1991PLC013211

Tel : +91 8414-667600

Fax : +91 8414-667695

email : kernex@kernex.in

Website : www.kernex.in



**Registered Office :**

"TECHNOPOLIS", Plot Nos : 38-41,  
Hardware Technology Park,  
TSIIC Layout, Raviryal (V),  
Hyderabad – 501 510. Telangana, India.

Date: 07.02.2025

To  
The Manager Listing Compliances,  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

**BSE Scrip Code: 532686**

To  
The Manager Listing Department  
National Stock Exchange of India Ltd  
Plot No. C/1, G Block, Exchange Plaza  
Bandra – Kurla Complex, Bandra (E)  
Mumbai – 400 051

**NSE Symbol: KERNEX**

Dear Sir,

**Sub.: Postal Ballot Notice**

**Ref.: Regulation 30 read with Part A of the Schedule III of the SEBI (LODR) Regulations, 2015.**

With reference to the captioned subject, we are enclosing herewith the notice of postal ballot dated 27<sup>th</sup> January 2025 seeking approval of members of the Company on the below special business items:

SI No	Particulars	Type of Resolution
1	INCREASE IN BORROWING POWERS OF THE BOARD OF DIRECTORS	Special
2	CREATION OF THE CHARGE /PROVIDING OF SECURITY ON THE ASSETS OF THE COMPANY	Special
3	TO INCREASE IN MANAGERIAL REMUNERATION OF MR. M B NARAYANA RAJU (DIN: 07993925), WHOLE-TIME DIRECTOR	Special
4	TO INCREASE IN MANAGERIAL REMUNERATION OF MR. M SITARAMA RAJU (DIN: 08576273), WHOLE-TIME DIRECTOR	Special





Further, the calendar of events in connection with the postal ballot is as under

<b>S No</b>	<b>Particulars</b>	<b>Date</b>
1	Cut - off Date for identification of voting rights of members	31.01.2025
2	Date and time of commencement of remote e-voting	08.02.2025 at 09:00 a.m. (09:00 hours IST)
3	Date and time of end of remote e-voting	09.03.2025 at 05:00 p.m. (17:00 hours IST)
4	Date of declaration of results of voting	On or before 11.03.2025

This is for your information and necessary records.

**For Kernex Microsystems (India) Limited**

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





## **KERNEX MICROSYSTEMS (INDIA) LIMITED**

Corporate Identification No. (CIN) - L30007TG1991PLC013211  
Regd. Off: Plot No 38 (part) - 41, Survey No 1/1, Kancha Imarat,  
Raviryal Village, Maheswaram Mandal, Ranga Reddy District,  
Hyderabad-501 510 Phone: 08414667600  
E-mail: [acs@kernex.in](mailto:acs@kernex.in) Web site: [www.kernex.in](http://www.kernex.in)

### **POSTAL BALLOT NOTICE**

Pursuant to Sections 108 and 110 of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014

Dear Member(s),

Notice is hereby given pursuant to the provisions of Sections 108 and 110, and other applicable provisions of the Companies Act, 2013, as amended (“the Act”), read together with the Companies (Management and Administration) Rules, 2014, as amended (“the Management Rules”) and General Circular Nos. 14/2020 dated April 8, 2020, (which was amended from time to time and the last amendment was on 09/2024 dated 19 September 2024,) issued by the Ministry of Corporate Affairs, Government of India (“the MCA Circulars”), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (“SS-2”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be passed by the members of the Company (as on the Cut-off Date), through postal ballot (“the Postal Ballot”) only by way of remote e-voting (“e-voting”) for the following special resolutions:

<b>S No</b>	<b>Particulars</b>
1	INCREASE IN BORROWING POWERS OF THE BOARD OF DIRECTORS
2	CREATION OF THE CHARGE /PROVIDING OF SECURITY ON THE ASSETS OF THE COMPANY
3	TO INCREASE IN MANAGERIAL REMUNERATION OF MR. M B NARAYANA RAJU (DIN: 07993925), WHOLE-TIME DIRECTOR
4	TO INCREASE IN MANAGERIAL REMUNERATION OF MR. M SITARAMA RAJU (DIN: 08576273), WHOLE-TIME DIRECTOR

An Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons / rationale thereof form part of this Postal Ballot Notice (“the Notice” or “the Postal Ballot Notice”).

In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“the LODR Regulations”) and pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolution is restricted only to e-voting i.e., by casting votes electronically instead of submitting postal ballot form. Accordingly, the Postal Ballot Notice and instructions for e-voting are being sent only through electronic mode to those members whose email address is registered with the Company / Depository Participant (“DP”).

The Board has appointed Mr. D S Rao (C P No. 14487), Practicing Company Secretary as the scrutinizer (“Scrutinizer”) for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

In compliance with the provisions of Sections 108 and 110 of the Act read with Rule 20 and 22 of the Management Rules, Regulation 44 of the LODR Regulations, and SS-2, the Company has provided e-voting facility to its members to cast their votes electronically. The detailed procedure with respect to e-voting is mentioned in this Notice. The Company has engaged the National Securities Depository Limited (“NSDL”) for facilitating e-voting.

Members desiring to exercise their votes are requested to carefully read the instructions indicated in this Notice and record their assent (FOR) or dissent (AGAINST) by following the procedure as stated in the Notes forming part of the Notice.

The e-voting facility will be available during the following period:

Commencement of e-voting period	08.02.2025
Conclusion of e-voting period	09.03.2025
Cut-off date for eligibility to vote	31.01.2025

The e-voting facility will be disabled by NSDL immediately after 5.00 p.m. IST on 09.03.2025, and will be disallowed thereafter.

The Scrutinizer will submit his report to the Chairman of the Company (“the Chairman”) or any other person authorized by the Chairman, and the result will be announced within two working days from the conclusion of the e-voting period i.e. on or before 11.03.2025. The result declared along with the Scrutinizer’s report shall be communicated in the manner provided in this Postal Ballot Notice.

The last date of e-voting, i.e. 09.03.2025 shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

## **SPECIAL BUSINESS**

### **1. INCREASE IN BORROWING POWERS OF THE BOARD OF DIRECTORS**

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

“RESOLVED THAT in supersession of the earlier resolutions passed by members vide 22<sup>nd</sup> Annual General Meeting held on 27<sup>th</sup> September 2014 and pursuant to the provisions of section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or any amendments or any substitution or re-enactment thereof, if any, for the time being in force, the consent of the members of the Company be and is hereby accorded to borrow, enhance or avail loan facility for the general, working capital and such other corporate purposes, from time to time as the board may think fit, any sum or sums of money which together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount of moneys so borrowed shall not, at any time exceed the limit of Rs. 500 Crores (Rupees Five Hundred Crores only) over and above aggregate of the paid up capital of the Company and free reserves.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above said resolution, the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include any committee constituted by the Board or any person(s) authorized by the Board in this regard) be and is hereby authorized to do all such acts, deeds, matters and things including but not limited to filling of necessary forms/documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regard thereto.”

## **2. CREATION OF THE CHARGE /PROVIDING OF SECURITY ON THE ASSETS OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 180 (1) (a) and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder, consent of the members be and is hereby accorded to the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board constituted / to be constituted to exercise its powers) to create mortgage and/or charge(s) and/or hypothecation(s) in addition to the mortgage(s)/charge(s)/hypothecation(s) created/to be created by the Company, in such form manner with such ranking at such time on such terms as the Board may determine, on all or any of the movable and/or immovable properties and assets of all kinds of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company in favour of the Financial Institution(s)/ Banks/ Lender(s)/Agent(s) and Trust(s)/Trustee(s) for securing the borrowings availed/to be availed by the Company, by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/ partly Convertible Bonds/Debentures/Warrants and/or Non-Convertible Debentures or other debt instruments) issued/ to be issued by the Company from time to time, subject to the limits approved under Section 180 (1) (c) of the Companies Act, 2013, together with interest, premium (if any) on redemption, all other costs, charges and expenses and all other monies payable by the Company in terms of the Loan Agreement(s)/Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trust(s)/Trustee(s), in respect of the said loans/borrowings/bonds/debentures/warrants and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or committee thereof and the Lender(s)/Agent(s) and Trust(s)/Trustee(s).”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things and to execute such deeds, documents or writings as are necessary or expedient, on behalf of the Company for creating the aforesaid mortgage(s)/charge(s)/hypothecation(s) as it may in its absolute discretion deem necessary or expedient for such purpose and for giving effect to the above Resolution.”

## **3. 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 2023 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. 5,00,000/- 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 14<sup>th</sup> November 2024 to till the conclusion of his term of office as per the shareholders' resolution dated 30<sup>th</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 2024-25 to be arrived in pursuance of Section 198 of the Companies Act, 2013.”

“FURTHER RESOLVED THAT 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 30<sup>th</sup> September 2023 shall continue to remain in full force and effect.”

“FURTHER RESOLVED THAT the Board (which will include its committee thereof) be and are hereby authorized 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.”

#### **4. 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 2023 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. 5,00,000/- 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 14<sup>th</sup> November 2024 to till the conclusion of his term of office as per shareholders' resolution dated 30<sup>th</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 2024-25 to be arrived in pursuance of Section 198 of the Companies Act, 2013.”

“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 2023 shall continue to remain in full force and effect.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (which will include its committee thereof) be and is hereby authorized 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.”

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

Hyderabad, 27<sup>th</sup> January 2025

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

**NOTES:**

1. The explanatory statement pursuant to Section 102 read with Section 110 of the Act along with details in terms of Regulation 36(3) of the LODR Regulations, stating all material facts and the reason/ rationale for proposed resolutions is annexed herewith.
2. This Postal Ballot Notice is being sent to the members whose names appear on the register of members / list of beneficial owners as received from the National Securities Depository Limited (“NSDL”) and Central Depository Services (India) Limited (“CDSL”) and whose email address is registered with the Company / Depository Participant(s), as on Friday, 31<sup>st</sup> January 2025 (“the Cut-off Date”). A person who is not a member as on the Cut-off Date should treat this Postal Ballot Notice for informational purposes only. In compliance with Regulation 44 of the LODR Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the Rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolutions is restricted only to e-voting i.e., by casting votes electronically instead of submitting the postal ballot form. Accordingly, the physical copy of the Notice along with the postal ballot form and the pre-paid business reply envelope are not being sent to the members. The communication of the assent or dissent of the members would only take place through the e-voting system.
3. Once the vote on the resolution is cast by the member, he / she shall not be allowed to change it subsequently. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on 31<sup>st</sup> January 2025, being the Cut-off Date fixed for the purpose.
4. The resolution, if passed by the requisite majority through Postal Ballot, will be deemed to have been passed on the last date specified for voting i.e., 9<sup>th</sup> March 2025. Further, resolution passed by the members through postal ballot is deemed to have been passed as if they are passed at a general meeting of the members.
5. The Scrutinizer will submit his report to the Chairman or any other person authorized by the Chairman after the completion of scrutiny of the e-voting, and the result of the e-voting by Postal

Ballot will be announced within two working days from the conclusion of e-voting i.e. on or before 11<sup>th</sup> March 2025 and will also be displayed on the Company website [www.kernex.in](http://www.kernex.in) on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com), and communicated to the stock exchanges and Registrar and Share Transfer Agent (RTA).

6. All material documents referred to in the explanatory statement will be available for inspection only through electronic mode on all working days from the date of dispatch until the last date for receipt of votes by e-voting i.e. 9<sup>th</sup> March 2025. Members may send their requests to [acs@kernex.in](mailto:acs@kernex.in) or [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) from their registered e-mail address mentioning their names, folio numbers, DP ID and Client ID during the voting period.
7. Members holding shares in electronic mode, who have not registered their email addresses are requested to register their email addresses with their respective Depository Participant (DP).

Members holding shares in physical mode are requested to update their email addresses with the Company's RTA at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Members may follow the process detailed below for availing other services from RTA:

Type of Holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited, either by email to <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> or by post to Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad – 500032.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form SH-14
	Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical form	ISR-4
	The forms for updating the above details are available at or <a href="https://ris.kfintech.com/clientservices/isc/InvestorGrievance.aspx?q=0">https://ris.kfintech.com/clientservices/isc/InvestorGrievance.aspx?q=0</a>	
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities and linking PAN with Aadhaar vide its circulars dated March 16, 2023, and November 17, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA i.e. KFin Technologies Limited at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

Members holding shares in electronic form are requested to submit their PAN to their depository participant(s).

#### Instructions for e-voting:

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

1. The General Meeting/Postal Ballot of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020,



33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 11/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024, issued by the Ministry of Corporate Affairs, Government of India (“the MCA Circulars”), Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (“SS-2”), SEBI (LODR) Regulations, 2015 and any other applicable law, rules, circulars, notifications and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force),

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

**The remote e-voting period begins on Saturday, 8<sup>th</sup> February 2025 (9:00 a.m. IST) and ends on Sunday, 9<sup>th</sup> March 2025 (5:00 p.m. IST). The remote e-voting module shall be disabled by NSDL for voting thereafter.**

**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**

**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:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IdeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.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>2. If you are not registered for IdeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IdeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.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 “<b>Login</b>” which is available under ‘Shareholder/Member’ section. A new</li> </ol>

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 **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.

4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**



Individual Shareholders holding securities in demat mode with CDSL

1. 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 <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.

2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.

3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>

4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Shareholders (holding securities in demat mode) login through their depository participants

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

**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: 022-48867000
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- 62343333 or 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting for 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 user 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.

3. Now you are ready for e-Voting as the Voting page opens.

4. 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.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. 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.: 022-48867000 or send a request to [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.

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

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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 Item Nos. 1 to 5 of the accompanying Notice.

**ITEM NO.1 & 2:**

Keeping in view of the opportunities in the areas in which the Company is engaged, existing Borrowing powers of the Board are inadequate to meet the present and future requirements of the Company. In order to meet the present and future requirements, the Board may borrow an amount not exceeding Rs. 500 Crores (Rupees Five Hundred Crores only) over and above aggregate of the paid-up capital and free reserves of the company.

According to the provisions of Section 180 (1) (c) of the Companies Act, 2013 the Board of Directors of a Company, can borrow money in excess of its paid-up share capital and free reserves only with the consent of the members by passing a Special Resolution.

The borrowings of the Company are usually required to be secured by suitable mortgage/charge on all or any of the Movable and / or Immovable Properties of the Company in such form, manner, and as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). Such creation of the aforesaid security, in certain cases is regarded as disposal of whole or substantially the whole of the undertaking(s) of the Company, within the meaning of Section 180 (1) (a) of the Companies Act, 2013, hence it is necessary to obtain prior approval of the members by passing a Special Resolution.

Hence, the board recommends the resolutions as set out in Item No. 1 & Item No. 2 for your approval.

None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the said resolution except to the extent of their shareholding in the Company.

**ITEM NO. 3:**

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 2023 till 1<sup>st</sup> September 2026, by means of Special Resolution passed by the Members at the 31<sup>st</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September 2023 on the terms and conditions including payment of remuneration. Further, the members based on the recommendation of Nomination and Remuneration Committee and Board, have approved the increase in remuneration to Mr. M B Narayana Raju vide postal ballot held on 23.08.2024. In view of the rich experience and expertise knowledge, the Nomination and Remuneration committee and Board of Directors at their meeting held on 14<sup>th</sup> November 2024 have given approval for increase in remuneration as set out in the resolution and details are mentioned below;

**i. Salary**

The monthly remuneration payable shall be Rs. 5,00,000 /- (Rupees Five Lakhs Only) per month including House Rent and other allowances.

**ii. 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 as per the service rules of the company or at any rate applicable from time to time.

**Gratuity:**

Gratuity as per service rules of the company.

**Encashment of 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:**

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)

Further, Nomination and Remuneration Committee and Board of Directors at their meetings held on 14<sup>th</sup> November have proposed to give 1% commission on the earned profits for the Financial Year 2024-25 to be arrived in pursuance of Section 198 of the Companies Act, 2013.

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	Not applicable

	prospectus				
4	Financial performance based on given indicators (Figures in Lakhs)	Financial year	2023-24 (Rs. In Lakhs)	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
		Gross Revenue	2,131.49	330.99	716.15
		Profit/(loss) before tax	(2,049.21)	(1,938.07)	(1,622.41)
		Net Profit/(loss)	(2,040.53)	(1985.72)	(1,657.52)
5.	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company 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 24 years at a senior level with the designation of Chief Administrative and Commercial Officer and as a Whole Time Director from 20th November'2017 and is looking after the General and Personnel Administration, liaison with all Government Agencies and Compliances with GST, PF,ESI, etc.,
2.	Past and Proposed remuneration	Past Remuneration: 3,25,000/- per month Including 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 24 years at a senior level with the designation of Chief Administrative and Commercial Officer and as a Whole Time Director from 20th November'2017 is looking after the General and Personnel Administration, liaison with all Government Agencies and Compliances with GST, PF,ESI, etc.,
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.

The Board of Directors recommends the Special Resolution as set out in Item No. 3 in the Notice for approval of the Shareholders.

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.

#### **ITEM NO. 4:**

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 2023 till 1<sup>st</sup> September 2026, by means of Special Resolution passed by the Members at the 31<sup>st</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September 2023 on the terms and conditions including payment of remuneration. Further, the members based on the recommendation of Nomination and Remuneration Committee an Board, have approved the increase in remuneration to Mr. M Sitarama Raju vide postal ballot held on 23.08.2024. In view of the rich experience and expertise knowledge, the Nomination and Remuneration committee and Board of Directors at their meeting held on 14<sup>th</sup> November 2024 approval for increase in remuneration as set out in the resolution and details are mentioned below;

##### i. Salary

The monthly remuneration payable shall be Rs. 5,00,000 /- (Rupees Five Lakhs Only) per month including House Rent and other allowances.

##### ii. 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 as per the service rules of the company or at any rate applicable from time to time.

**Gratuity:**

Gratuity as per service rules of the company.

**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:**

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)

Further, Nomination and Remuneration Committee and Board of Directors at their meeting held on 14<sup>th</sup> November 2024 have proposed to give 1% commission on the earned profits for the Financial Year 2024-25 to be arrived in pursuance of Section 198 of the Companies Act, 2013.

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	2023-24 (Rs. In Lakhs)	2022-23 (Rs. In Lakhs)	2021-22 (Rs. In Lakhs)
		Gross Revenue	2,131.49	330.99	716.15
		Profit/(loss) before tax	(2,049.21)	(1,938.07)	(1,622.41)
		Net Profit/(loss)	(2,040.53)	(1985.72)	(1,657.52)
5.	Foreign investments or collaborations, if any.	The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company 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: 3,25,000/- per month including 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 4.25% 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.

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

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.

Hyderabad, 27<sup>th</sup> January 2025

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

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