



## **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  
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### **Notice**

Notice is hereby given that the Extra-Ordinary General Meeting of the Members of M/s. Kernex Microsystems (India) Limited will be held on Wednesday, the 12<sup>th</sup> day of October 2022 at 10:00 A.M. IST through Video Conference (“VC”)/ Other Audio-Visual Means (“OAVM”) facility to transact the following items of business:

#### **Special Business:**

##### **1. To consider and approve further issue of equity shares on 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(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the 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 up to 13,65,576 (Thirteen Lakhs Sixty Five Thousand Five Hundred and Seventy Six) equity shares having face value of Rs. 10/- (Rupees Ten) each fully paid-up

(“Equity Shares”) at a premium of Rs. 250/- ( Two Hundred Fifty) each on such terms and conditions as may be deemed appropriate by the Board on preferential basis to:

S No	Name of Proposed allottee	Category	No of equity shares to be issued
1	Anji Raju Manthena	Promoter	4,40,576
2	Narasa Raju Mantena	Promoter	80,000
3	Janardhana Reddy Vinta	Non-Promoter	40,000
4	Raghu Rama Raju Gokaraju	Non-Promoter	1,00,000
5	Penumatsa Venkata Raju	Non-Promoter	1,00,000
6	Nitin Siddamsetty	Non-Promoter	50,000
7	Bharat Kumar Anchalia	Non-Promoter	40,000
8	Shanti Swaroop Bhatia	Non-Promoter	40,000
9	Sheel Anchalia	Non-Promoter	25,000
10	Negen Capital Services Private Limited	Non-Promoter	2,00,000
11	M R T Signals Limited	Non-Promoter	2,00,000
12	United Infracore Limited	Non-Promoter	50,000

at a price 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, shall be, 12<sup>th</sup> September 2022 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 and the issue price determined in accordance with SEBI ICDR Regulations.”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form”.

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in SEBI ICDR Regulations”

**“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 equity shares 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 equity shares 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.

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE/NSE where the shares of the Company are listed.

**“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.

**2. To consider and approve the issue of equity shares on preferential basis by conversion of unsecured loan to the persons of Promoters/ Promoter Group**

*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(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the 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, from time to time, in one or more tranches, up to 1,59,424 (One Lakh Fifty Nine Thousand Four Hundred and Twenty Four) fully paid-up equity shares of the Company, having face value of Rs.10/- (Rupees Ten Only) each at a premium of Rs. 250/- each to Anji Raju Manthena, on such terms and conditions as may be deemed appropriate by the Board by conversion of existing outstanding loan to the extent of Rs. 4,14,50,240/- which was extended by the promoter to the Company for supporting the day to-day operations and to meet immediate working capital needs:

<b>S. No.</b>	<b>Name of Proposed allottee</b>	<b>Category</b>	<b>No of equity shares to be issued</b>
<b>1.</b>	Anji Raju Manthena	Promoter/ Promoter Group	1,59,424

at the price 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, shall be, 12<sup>th</sup> September 2022 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 and the issue price determined in accordance with SEBI ICDR Regulations.”

**“RESOLVED FURTHER THAT** the Equity Shares to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu (including as to entitlement to voting powers and dividend) in all respects with the existing equity shares of the Company and the shares so issued offered and allotted be in dematerialized form”.

**“RESOLVED FURTHER THAT** the Equity Shares allotted on preferential basis shall be locked-in for such period as prescribed in SEBI ICDR Regulations”

**“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”

**“RESOLVED FURTHER THAT** the said equity shares 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 equity shares 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.

**“FURTHER RESOLVED THAT** for the purpose of giving effect to the aforesaid special resolution under Sections 42 and 62 of the Companies Act, 2013, the Board of Directors (which term shall include any duly constituted and authorized Committee thereof) of the Company be and is hereby authorized to take such steps and to do all such other acts, deeds, matters and things and accept any alteration(s) or amendment(s) or correction(s) or modification(s) and to execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution including intimating the concerned authorities or such other regulatory body and for matters connected therewith or incidental thereto and also to seek listing of such equity shares on BSE/NSE where the shares of the Company are listed.

**“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.

### **3. 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(1)(c), read with section 42 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), 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, regulations, guidelines, notifications, circulars and clarifications issued there under from time to time by the 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, from time to time, in one or more

tranches, up to 6,00,000 (Six 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 at a premium of Rs. 250/- each ((hereinafter referred to as “Warrants”) to the person belonging to Non-Promoter group, on such terms and conditions as may be deemed appropriate by the Board to

<b>S. No.</b>	<b>Name of Proposed allottee</b>	<b>Category</b>	<b>No of Warrants proposed to be issued</b>
1.	Capgro Private Limited	Non-Promoter	6,00,000

at a price 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, 12<sup>th</sup> September 2022 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:

- i) 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,
- ii) 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.
- iii) 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.
- iv) 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;
- v) 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 Company shall procure that within 30 (Thirty) days of the issuance and allotment of any Equity Shares to the Warrant Holder upon exercise of Warrants, the listing and trading approvals for such Equity Shares are received from the relevant stock exchange.
- vii) The Equity Shares to be issued and allotted to the Proposed Investors as a consequence of exercise of the option under the Warrants in the manner aforesaid shall be in dematerialized form and shall rank *pari-passu* with the existing Equity Shares of the Company in all respects (including with respect to dividend and voting rights) from the date of allotment thereof, and be subject to the requirements of all applicable laws and shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company.
- viii) Upon exercise of the Warrants by the Warrant Holder, the Company shall issue and allot appropriate number of Equity Shares and perform such actions as are required to credit the Equity Shares to the depository account of Warrant Holder and entering the name of Warrant Holder in the records of the Company as the registered owner of such Equity Shares;
- ix) The Warrants proposed to be allotted shall be subject to a lock-in to be determined in accordance with the provisions of the SEBI ICDR Regulations. The lock-in on the Equity Shares resulting from the exercise of the option under the Warrants shall be reduced to the extent the Warrants have already been locked-in.
- x) In the event that the Company completes any form of capital restructuring prior to the conversion of the Warrants, then, the number of Equity Shares that each Warrant converts into and the price payable for such Equity Shares, shall be adjusted accordingly in a manner that, to the extent permitted by applicable laws, Warrant Holder: (a) receives such number of Equity Shares that Warrant holder would have been entitled to receive; and (b) pays such consideration for such Equity Shares to the Company which Warrant Holder would have been required to pay, had the Warrants been exercised immediately prior to the completion of such capital restructuring;
- xi) 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.
- xii) 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;
- xiii) 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 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”.

**4. To consider and approve the appointment of Sri. Narender Kumar (DIN: 03295345) as a Director of 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 Sections 152, 160, 161 and other applicable provisions of the Companies Act, 2013 read with the Rules made there under and Securities, and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and such other provisions as may be applicable, including any statutory modification or re-enactment thereof for the time being in force, Sri. Narender Kumar (DIN: 03295345) who was appointed as an Additional Director on 18<sup>th</sup> September 2022 and who holds office up to the date of next Annual General Meeting and for the appointment of whom, the Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company”.

**“RESOLVED FURTHER THAT** the Board of directors or Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters, things, and sign/execute and file all such papers, documents, and forms as may be necessary and incidental to give effect to the aforesaid resolution.”

Hyderabad, 20<sup>th</sup> September 2022

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

sd/-

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

## 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 May 5, 2022, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021 and December 14, 2021 (collectively referred to as “MCA Circulars”), permitted convening the Extra-Ordinary General Meeting (“EGM” / “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 EGM of the Company is being held through VC / OAVM. The deemed venue for the EGM 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 EGM is annexed.
4. 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 EGM. 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 EGM will be provided by NSDL.
5. The Members can join the EGM 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 EGM 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 EGM without restriction on account of first come first served basis.
6. The attendance of the Members attending the EGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
7. Pursuant to the provisions of the Act, a member entitled to attend and vote at the EGM 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 EGM 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 EGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
8. 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 Limited (“Kfin”) for assistance in this regard.
9. 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.

10. 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.
11. 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.
12. 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.
13. 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.
14. 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 EGM.
15. Members seeking any information with regard to the accounts or any matter to be placed at the EGM are requested to write to the Company on or before 7<sup>th</sup> October 2022 through email on [acs@kernex.in](mailto:acs@kernex.in). The same will be replied by the Company suitably.
16. 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.
17. The Notice calling the EGM 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 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 EGM 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).
18. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 (collectively referred to as "MCA Circulars"), EGM Notice is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on 16<sup>th</sup> September 2022. 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.
19. Since the EGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

## **Instructions for e-voting and joining the EGM 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 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 Extra-Ordinary General Meeting (“EGM”) 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 EGM of the Company is being held through VC / OAVM. Hence, Members can attend and participate in the ensuing EGM 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 and January 13, 2021 and the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the EGM. 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 EGM will be provided by NSDL.
3. The Members can join the EGM 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 EGM 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 EGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM 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 EGM. 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 EGM 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 EGM 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 EGM Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the EGM) 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 Sunday, 9<sup>th</sup> October 2022 (9:00 a.m. IST) and ends on Tuesday, 11<sup>th</sup> October 2022 (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. 5<sup>th</sup> October 2022, 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 5<sup>th</sup> October 2022.

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.co.in](mailto:evoting@nsdl.co.in). 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**

#### **12. 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></ol>

3. 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. 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 **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.co.in">evoting@nsdl.co.in</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 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 :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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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.co.in](mailto:evoting@nsdl.co.in) 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 [csvanitha19@gmail.com](mailto:csvanitha19@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
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 (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### **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.co.in](mailto:evoting@nsdl.co.in) 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 EGM THROUGH VC/OAVM ARE AS UNDER:**

1. Members will be provided with a facility to attend the EGM 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 EGM 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 EGM 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 6<sup>th</sup> October 2022 (9:00 a.m. IST) to 8<sup>th</sup> October 2022 (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 EGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the EGM.
4. The attendance of the Members attending the EGM 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 5<sup>th</sup> October 2022. 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 EGM.
10. The Company has appointed Smt. N Vanitha, Practicing Company Secretary, Hyderabad, as the Scrutinizer to the e-voting process and voting at the EGM 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 venue voting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail and venue voting 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 venue voting, thereafter unlock the votes through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make, not later than three 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 authorized 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 EGM of the Company scheduled to be held on 12<sup>th</sup> October 2022.

**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 Item Nos. 1 to 3 of the accompanying Notice.

**Item No. 1:**

The Board of Directors of the Company, in its meeting held on 18<sup>th</sup> September 2022, 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 13,65,576 (Thirteen Lakhs Sixty Five Thousand Five Hundred and Seventy Six) Equity Shares having face value of Rs.10/- (Rupees Ten Only) each on preferential basis to the Promoters and Non-Promoter Investors mentioned in the resolution no. 1.

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)I 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.

**The information as required under SEBI (ICDR) Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) 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 equity shares on preferential basis:

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

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

The Board of Directors in its meeting held on 18<sup>th</sup> September 2022 had approved the issue of equity shares and accordingly proposes to issue and allot in aggregate up-to 13,65,576 (Thirteen Lakhs Sixty Five Thousand Five Hundred and Seventy Six) Equity Shares of the face value of Rs.10/- (Rupees Ten Only) each (“the Equity Shares”) at a premium of Rs. 250/- (being not less than the price calculated in terms of ICDR Regulations) to Promoters and Non-Promoter Investors on a preferential basis.

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

Rs.35,50,49,760/- (Rupees Thirty Five Crores Fifty Lakhs Forty Nine Thousand Seven Hundred and Sixty Only)

***D. Intention of promoters / directors / key managerial personnel to subscribe to the offer:***

Any of the key managerial personnel does not intend to subscribe to the offer. The following promoters and directors intend to subscribe to the proposed issue:-

1. Anji Raju Manthena - Promoter & Director (Non-executive & Non-Independent)  
2. Narasa Raju Mantena - Promoter  
3. Vinta Janardhana Reddy - Director (Non-executive & Non-Independent)

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

S. No	Category	# Pre-Issue Equity		\$ Post Equity Issue	
		No of shares held	% of shareholding	No of shares held	% of shareholding
<b>A</b>	<b>Promoter Holding</b>				
1	<b>Indian</b>				
	Individuals/PAC	2,392	0.02	2,392	0.02
	Bodies Corporate	-	-	-	-
	Any Other	-	-	-	-
	<b>Sub Total A 1</b>	<b>2,392</b>	<b>0.02</b>	<b>2,392</b>	<b>0.02</b>
2	<b>Foreign Promoter</b>				
	Individuals/NRI/Foreign individuals/PAC	43,12,553	31.25	49,92,553	31.35
	Bodies Corporate	-	-	-	-
	<b>Sub Total A 2</b>	<b>43,12,553</b>	<b>31.25</b>	<b>49,92,553</b>	<b>31.35</b>
	<b>Total Promoters Group A= A1+A2</b>	<b>43,14,945</b>	<b>31.27</b>	<b>49,94,945</b>	<b>31.37</b>
<b>B</b>	<b>Public/Non-Promoters' Shareholding</b>				
1	<b>Institutional Investors</b>				
A	Mutual Funds/Banks/FI	-	-	-	-
B	FII's/Pis	120	0.00	120	0.00
	<b>Sub Total B 1</b>	<b>120</b>	<b>0.00</b>	<b>120</b>	<b>0.00</b>
2	<b>Non Institutions</b>				
	Individual share capital upto Rs. 2 Lacs	31,07,672	22.52	30,91,599	19.41
	Individual share capital in excess of Rs. 2 Lacs	44,63,301	32.34	48,34,374	30.36
	Non-Resident Indian (NRI)	9,68,846	7.02	10,08,846	6.34
	Clearing Members	12,506	0.09	12506	0.08
	Foreign Bodies Corporate	-	-	-	-
	Indian Bodies Corporate	5,68,362	4.12	16,18,362	10.16
	Foreign Nationals	-	-	-	-
	Others (HUF, NBFC and Trusts)	3,63,903	2.64	363903	2.29
	<b>Sub Total B 2</b>	<b>94,84,590</b>	<b>68.73</b>	<b>1,09,29,590</b>	<b>68.63</b>
	<b>Total Public Share holding B-B1+B2</b>	<b>94,84,710</b>	<b>68.73</b>	<b>1,09,29,710</b>	<b>68.63</b>
	<b>GRAND TOTAL A+B</b>	<b>1,37,99,655</b>	<b>100.00</b>	<b>1,59,24,655</b>	<b>100.00</b>

# Pre-issue shareholding pattern as on 09.09.2022

*§ The post issue shareholding percentage is arrived after considering all the preferential allotments of equity shares proposed to be made under this notice and on fully diluted basis. The post issue paid-up capital of the Company is subject to alterations on account of (i) subscription of entire equity shares mentioned Resolution No. 2 and (ii) conversion of actual number of Warrants into Equity Shares mentioned in Resolution No. 3; 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 equity shares 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.**

S. No	Details of subscriber	Ultimate Beneficial Owner of the proposed Allotee(s)	Pre-issue holding	% to Pre-issue Capital	No of equity shares proposed to be issued	% to post issue capital
1.	Anji Raju Manthena	Not Applicable	19,55,106	14.17	4,40,576	2.77
2.	Narasa Raju Mantena	Not Applicable	2,032	0.01	80,000	0.50
3.	Janardhana Reddy Vinta	Not Applicable	2,99,655	2.17	40,000	0.25
4.	Raghu Rama Raju Gokaraju	Not Applicable	16,073	-	1,00,000	0.63
5.	Penumatsa Venkata Raju	Not Applicable	-	-	1,00,000	0.63
6.	Nitin Siddamsetty	Not Applicable	-	-	50,000	0.31
7.	Bharat Kumar Anchalia	Not Applicable	-	-	40,000	0.25
8.	Shanti Swaroop Bhatia	Not Applicable	-	-	40,000	0.25
9.	Sheel Anchalia	Not Applicable	-	-	25,000	0.16
10.	Negen Capital Services Private Limited	Neil Madan Bahal	-	-	2,00,000	1.26
11.	M R T Signals Limited	Ankit Anchalia	1,45,352	1.05	2,00,000	1.26
12.	United Infracore Limited	Krishna Kant Sonthalia	-	-	50,000	0.31

**H. Undertakings**

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

- a. It shall re-compute the price of the Equity Shares issued in terms of the provisions of SEBI (ICDR) Regulations, where it is required to do so.
- b. 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 Equity Shares shall continue to be locked- in till the time such amount is paid by the proposed allottees.

***I. The total number of shares or other securities to be issued***

The Board of Directors in its meeting held on 18<sup>th</sup> September 2022 had approved the issue of equity shares and accordingly proposes to issue and allot in aggregate upto 13,65,576 (Thirteen Lakhs Sixty Five Thousand Five Hundred and Seventy Six) Equity Shares of the face value of Rs.10/- (Rupees Ten Only) each (“the Equity Shares”) to Promoters and Non-Promoter Investors on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations.

***J. Terms of Issue of the Equity Shares, if any***

1. The Equity Shares allotted in terms of this resolution shall rank pari passu with existing equity shares of the Company in all respects.
2. Allotment of 4,40,576 equity shares for cash to Anji Raju Manthena, Promoter & Director of the Company
3. Allotment of 80,000 equity shares for cash to Narasa Raju Mantena, Promoter of the Company
4. Allotment of 40,000 equity shares for cash to Janardhana Reddy Vinta, Director and Non-Promoter of the Company.
5. Allotment of 1,00,000 equity shares for cash to Raghu Rama Raju Gokaraju, Non-Promoter of the Company
6. Allotment of 1,00,000 equity shares for cash to Penumatsa Venkata Raju, Non-Promoter of the Company.
7. Allotment of 50,000 equity shares for cash to Nitin Siddamsetty, Non-Promoter of the Company
8. Allotment of 40,000 equity shares for cash to Bharat Kumar Anchalia, Non-Promoter of the Company.
9. Allotment of 40,000 equity shares for cash to Shanti Swaroop Bhatia, Non-Promoter of the Company.
10. Allotment of 25,000 equity shares for cash to Sheel Anchalia, Non-Promoter of the Company.
11. Allotment of 2,00,000 equity shares for cash to Negen Capital Services Private Limited, Non-Promoter of the Company.
12. Allotment of 2,00,000 equity shares for cash to M R T Signals Limited, Non-Promoter of the Company.
13. Allotment of 50,000 equity shares for cash to United Infracore Limited, Non-Promoter of the Company.



***K. Pricing of Preferential Issue:***

The Board has fixed the price of Rs. 260/- per equity share in terms of Regulation 164 of the ICDR Regulations.

***L. 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 and 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 (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, 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. 205.32/- (Rupees Two Hundred Five and Thirty Two paise 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. 255.48/- (Rupees Two Hundred Fifty Five and Forty Eight paise only).

The Board has fixed the floor price as Rs. 260/- per equity share and the said price fixed by the Board is highest of the above two prices calculated in terms of the ICDR Regulation and other applicable provisions.

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

Not Applicable

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

Not Applicable as the Company has not proposed to issue the shares for consideration other than cash.

***O. Relevant Date***

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor price for this Preferential Allotment of equity shares is 12<sup>th</sup> September 2022 being the 30 days prior to the date of Extra Ordinary General Meeting.

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

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

<b>S No</b>	<b>Name of the Proposed Allottee</b>	<b>Current Status of the Allottee</b>	<b>Proposed Status of the Allottee</b>
1	Anji Raju Manthena	Promoter	Promoter
2	Narasa Raju Mantena	Promoter	Promoter
3	Janardhana Reddy Vinta	Non-Promoter	Non-Promoter

4	Raghu Rama Raju Gokaraju	Non-Promoter	Non-Promoter
5	Penumatsa Venkata Raju	Non-Promoter	Non-Promoter
6	Bharat Kumar Anchalia	Non-Promoter	Non-Promoter
7	Sheel Anchalia	Non-Promoter	Non-Promoter
8	Shanti Swaroop Bhatia	Non-Promoter	Non-Promoter
9	Nitin Siddamsetty	Non-Promoter	Non-Promoter
10	Negen Capital Services Private Limited	Non-Promoter	Non-Promoter
11	M R T Signals Limited	Non-Promoter	Non-Promoter
12	United Infracore Limited	Non-Promoter	Non-Promoter

***Q. 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.

***R. 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 allotted 13,00,000 equity shares to 8 persons at a price of Rs. 113/- per share amounting to Rs. 14,69,00,000/- on preferential basis.

***S. Lock-in period***

The Shares to be offered issued and allotted shall be subject to Lock-in as provided under the provisions of 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 trading approval as per Regulation 167 of the ICDR Regulations.

***T. 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 Extra Ordinary General Meeting and all also be available during the Extraordinary 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 Extra Ordinary General Meeting

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

Anji Raju Manthena being the proposed allottee and Sitarama Raju Manthena, Sree Lakshmi Manthena being related to Anji Raju Manthena and Janardhana Reddy Vinta, being the proposed allottee may be deemed to be concerned or interested in the proposed resolution. None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

## ***V. Other disclosures***

In accordance with SEBI ICDR Regulations,

- i. The Company has allotted 13,00,000 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 allotment of the person holding the shares are in dematerialized form.
- iv. The Regulation 166A of the Chapter V of SEBI ICDR Regulations are not applicable as the Company is not being allotted more than 5% of the post issue fully diluted share capital of Company to an allottee or to allottees acting in concert
- v. The issue of Equity Shares 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. 1 as special resolution for your approval.

Anji Raju Manthena being the proposed allottee and Sitarama Raju Manthena, Sree Lakshmi Manthena being related to Anji Raju Manthena and Janardhana Reddy Vinta, being the proposed allottee may be deemed to be concerned or interested in the proposed resolution. None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

### **Item No. 2:**

The Company proposes to augment its Equity Capital through a preferential allotment of equity shares. The Company has outstanding loans remaining unpaid to Anji Raju Manthena forming part of the promoters and promoter group of the Company. It is proposed to convert a part of the outstanding loan by way of issue of 1,59,424 Equity shares of Rs.10/- each to Anji Raju Manthena by way of preferential allotment at a price being not less than the price determined in accordance with Chapter V of the SEBI ICDR Regulations on a preferential basis to the Proposed allottee entitling him to subscribe to and be allotted the Equity Shares, not later than 15 (fifteen) days from the date of passing of this special resolution by the members

**The information as required under SEBI (ICDR) Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) 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***

With the consent of Anji Raju Manthena, the Company proposes to convert the Unsecured Loan to the extent of Rs. 4,14,50,240/- into equity shares on preferential basis to reduce debt, to strengthen financial position, to improve the leverage ratios so as to reduce the interest costs.

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

It is proposed to issue 1,59,424 equity shares by conversion of Unsecured Loan of Rs. 4,14,50,240/- (Rupees Four Crores Fourteen Lakhs Fifty Thousand Two Hundred and Forty) at a price of Rs. 260/- each to Anji Raju Manthena who is a person under the category of Promoters / Promoter group of the Company, 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;**

It is proposed to issue 1,59,424 equity shares by conversion of Unsecured Loan to the extent of Rs. 4,14,50,240/-(Rupees Four Crores Fourteen Lakhs Fifty Thousand Two Hundred and Forty) at a price of Rs. 260/- each to Anji Raju Manthana

**D. Intention of promoters / directors / key managerial personnel to subscribe to the offer:**

Anji Raju Manthana intends to convert his unsecured loan extended to the Company. None of the promoters or key managerial personnel intends to subscribe to the offer.

1. Anji Raju Manthana - Director (Non-executive & Non-Independent)

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

S. No	Category	#Pre-Issue Equity		\$Post Equity Issue	
		No of shares held	% of shareholding	No of shares held	% of shareholding
<b>A</b>	<b>Promoter Holding</b>				
1	<b>Indian</b>				
	Individuals/PAC	2,392	0.02	2,392	0.02
	Bodies Corporate	-	-	-	-
	Any Other	-	-	-	-
	<b>Sub Total A 1</b>	<b>2,392</b>	<b>0.02</b>	<b>2,392</b>	<b>0.02</b>
2	<b>Foreign Promoter</b>				
	Individuals/NRI/Foreign individuals/PAC	43,12,553	31.25	49,92,553	31.35
	Bodies Corporate	-	-	-	-
	<b>Sub Total A 2</b>	<b>43,12,553</b>	<b>31.25</b>	<b>49,92,553</b>	<b>31.35</b>
	<b>Total Promoters Group A= A1+A2</b>	<b>43,14,945</b>	<b>31.27</b>	<b>49,94,945</b>	<b>31.37</b>
<b>B</b>	<b>Public/Non-Promoters' Shareholding</b>				
<b>1</b>	<b>Institutional Investors</b>				
A	Mutual Funds/Banks/FI	-	-	-	-
B	FII's/Pis	120	0.00	120	0.00
	<b>Sub Total B 1</b>	<b>120</b>	<b>0.00</b>	<b>120</b>	<b>0.00</b>
<b>2</b>	<b>Non Institutions</b>				
	Individual share capital upto Rs. 2 Lacs	31,07,672	22.52	30,91,599	19.41
	Individual share capital in excess of Rs. 2 Lacs	44,63,301	32.34	48,34,374	30.36
	Non-Resident Indian (NRI)	9,68,846	7.02	10,08,846	6.34
	Clearing Members	12,506	0.09	12506	0.08
	Foreign Bodies Corporate	-	-	-	-
	Indian Bodies Corporate	5,68,362	4.12	16,18,362	10.16
	Foreign Nationals	-	-	-	-

	Others (HUF, NBFC and Trusts)	3,63,903	2.64	363903	2.29
	<b>Sub Total B 2</b>	<b>94,84,590</b>	<b>68.73</b>	<b>1,09,29,590</b>	<b>68.63</b>
	<b>Total Public Share holding B-B1+B2</b>	<b>94,84,710</b>	<b>68.73</b>	<b>1,09,29,710</b>	<b>68.63</b>
	<b>GRAND TOTAL A+B</b>	<b>1,37,99,655</b>	<b>100.00</b>	<b>1,59,24,655</b>	<b>100.00</b>

# Pre-issue shareholding pattern as on 09.09.2022

§ The post issue shareholding percentage is arrived after considering all the preferential allotments of equity shares proposed to be made under this notice and on fully diluted basis. The post issue paid-up capital of the Company is subject to alterations on account of (i) subscription of entire equity shares mentioned Resolution No. 1 and (ii) conversion of actual number of Warrants into Equity Shares mentioned in Resolution No. 3; 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 equity shares 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.**

S. No	Details of subscriber	Ultimate Beneficial Owner of the proposed Allotee(s)	Pre-issue holding	% to Pre-issue Capital	No of equity shares proposed to be issued	% to post issue capital
1.	Anji Raju Manthena	Not Applicable	19,55,106	14.17	1,59,424	1.00

**H. Undertakings**

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

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

**I. The total number of shares or other securities to be issued**

It is proposed to issue 1,59,424 equity shares by conversion of Unsecured Loan of Rs. 4,14,50,240/- (Rupees Four Crores Fourteen Lakhs Fifty Thousand Two Hundred and Forty) at a price of Rs. 260/- each to Anji Raju Manthena who comes under the category of Promoters / Promoter group of the Company, on a preferential basis in compliance with applicable provisions of SEBI (ICDR) Regulations.

**J. Terms of Issue of the Equity Shares, if any**

1. The Equity Shares allotted in terms of this resolution shall rank pari passu with existing equity shares of the Company in all respects.
2. Unsecured Loan to the extent of Anji Raju Manthena amounting to Rs.4,14,50,240/- will be converted and adjusted against the consideration that may be required be against the shares proposed to be allotted in accordance with the resolution proposed.

***K. Pricing of Preferential Issue:***

The Board has fixed the price of Rs. 260/- per equity share in terms of regulation 164 of ICDR Regulations, 2018

***L. 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 and 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 (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, 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. 205.32/- (Rupees Two Hundred Five and Thirty Two paise 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. 255.48/- (Rupees Two Hundred Fifty Five and Forty Eight paise only).

The Board has fixed the floor price as Rs. 260/- per equity share and the said price fixed by the Board is highest of the above two prices calculated in terms of the ICDR Regulation and other applicable provisions.

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

Not Applicable

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

Not Applicable, as the Company has not proposed to issue the shares for consideration other than cash. It is being proposed to issue shares against the amount received as unsecured loan by converting the said loan

***O. Relevant Date***

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor price for this Preferential Allotment of equity shares is 12<sup>th</sup> September 2022 being the 30 days prior to the date of Extra Ordinary General Meeting.

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

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

<b>S No</b>	<b>Name of the Proposed Allottee</b>	<b>Current Status of the Allottee</b>	<b>Proposed Status of the Allottee</b>
1	Anji Raju Manthena	Promoter	Promoter

***Q. 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.

***R. 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 allotted 13,00,000 equity shares to 8 persons at a price of Rs. 113/- per share amounting to Rs. 14,69,00,000/- on preferential basis.

***S. Lock-in period***

The Shares to be offered issued and allotted shall be subject to Lock-in as provided under the provisions of 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 trading approval as per Regulation 167 of the ICDR Regulations.

***T. 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 Extra Ordinary General Meeting and all also be available during the Extraordinary 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 Extra Ordinary General Meeting

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

Anji Raju Manthana being the proposed allottee and Sitarama Raju Manthana, Sree Lakshmi Manthana being related to Anji Raju Manthana may be deemed to be concerned or interested in the proposed resolution. None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

***V. Other disclosures***

In accordance with SEBI ICDR Regulations,

- i. The Company has allotted 13,00,000 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 allotment of the person holding the shares are in dematerialized form.
- iv. The Regulation 166A of the Chapter V of SEBI ICDR Regulations are not applicable as the Company is not being allotted more than 5% of the post issue fully diluted share capital of Company to an allottee or to allottees acting in concert
- v. The issue of Equity Shares 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 resolutions as set out in Item No. 2 as special resolution for your approval.

Anji Raju Manthena being the proposed allottee and Sitarama Raju Manthena, Sree Lakshmi Manthena being related to Anji Raju Manthena may be deemed to be concerned or interested in the proposed resolution. None of the other Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

### **Item No. 3**

The Board of Directors of the Company, in its meeting held on 18<sup>th</sup> September 2022, 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 6,00,000 (Six 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. 3.

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)I 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.

**The information as required under SEBI (ICDR) Regulations and as per the provisions of the Companies Act, 2013 read with Rule 13(2) 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. Repay Inter Corporate Deposits/ Unsecured Loans and interest thereon.
2. Meet funding requirements for various ongoing Projects of the Company /its subsidiaries/JVs (in which the Company is a partner),
3. Meet working capital requirements to strengthen financial position
4. General corporate purposes.

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

The Board of Directors in its meeting held on 18<sup>th</sup> September 2022 had approved the issue of Warrants and accordingly proposes to issue and allot in aggregate upto 6,00,000 (Six Lakhs) 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. 15,60,00,000/- (Rupees Fifteen Crores Sixty Lakhs Only)

#### ***D. Intention of promoters / directors / key managerial personnel to subscribe to the offer:***

None of the promoters / directors / 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	
		No of shares held	% of shareholding	No of shares held	% of shareholding
<b>A</b>	<b>Promoter Holding</b>				
1	<b>Indian</b>				
	Individuals/PAC	2,392	0.02	2,392	0.02
	Bodies Corporate	-	-	-	-
	Any Other	-	-	-	-
	<b>Sub Total A 1</b>	<b>2,392</b>	<b>0.02</b>	<b>2,392</b>	<b>0.02</b>
2	<b>Foreign Promoter</b>				
	Individuals/NRI/Foreign individuals/PAC	43,12,553	31.25	49,92,553	31.35
	Bodies Corporate	-	-	-	-
	<b>Sub Total A 2</b>	<b>43,12,553</b>	<b>31.25</b>	<b>49,92,553</b>	<b>31.35</b>
	<b>Total Promoters Group A= A1+A2</b>	<b>43,14,945</b>	<b>31.27</b>	<b>49,94,945</b>	<b>31.37</b>
<b>B</b>	<b>Public/Non-Promoters' Shareholding</b>				
1	<b>Institutional Investors</b>				
A	Mutual Funds/Banks/FI	-	-	-	-
B	FII's/Pis	120	0.00	120	0.00
	<b>Sub Total B 1</b>	<b>120</b>	<b>0.00</b>	<b>120</b>	<b>0.00</b>
2	<b>Non Institutions</b>				
	Individual share capital upto Rs. 2 Lacs	31,07,672	22.52	30,91,599	19.41
	Individual share capital in excess of Rs. 2 Lacs	44,63,301	32.34	48,34,374	30.36
	Non-Resident Indian (NRI)	9,68,846	7.02	10,08,846	6.34
	Clearing Members	12,506	0.09	12506	0.08
	Foreign Bodies Corporate	-	-	-	-
	Indian Bodies Corporate	5,68,362	4.12	16,18,362	10.16
	Foreign Nationals	-	-	-	-
	Others (HUF, NBFC and Trusts)	3,63,903	2.64	363903	2.29
	<b>Sub Total B 2</b>	<b>94,84,590</b>	<b>68.73</b>	<b>1,09,29,590</b>	<b>68.63</b>
	<b>Total Public Share holding B-B1+B2</b>	<b>94,84,710</b>	<b>68.73</b>	<b>1,09,29,710</b>	<b>68.63</b>
	<b>GRAND TOTAL A+B</b>	<b>1,37,99,655</b>	<b>100.00</b>	<b>1,59,24,655</b>	<b>100.00</b>

# Pre-issue shareholding pattern as on 09.09.2022

§ The post issue shareholding percentage is arrived after considering all the preferential allotments of equity shares proposed to be made under this notice and on fully diluted basis. The post issue paid-up capital of the Company is subject to alterations on account of (i) subscription of entire equity shares mentioned Resolution No. 1 and 2, and (ii) conversion of actual number of Warrants into Equity

*Shares mentioned in Resolution No. 3; 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.***

<b>S. No</b>	<b>Details of subscriber</b>	<b>Ultimate Beneficial Owner of the proposed Allotee(s)</b>	<b>Pre-issue holding</b>	<b>% to Pre-issue Capital</b>	<b>No of equity shares proposed to be issued</b>	<b>% to post issue capital</b>
1	Capgro Private Limited	Nitin Narang	-	-	6,00,000	3.77

***H. Undertakings***

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

- i. 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.
- ii. 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. The total number of shares or other securities to be issued***

The Board of Directors in its meeting held on 18<sup>th</sup> September 2022 had approved the issue of Warrants and accordingly proposes to issue and allot in aggregate up to 6,00,000 (Six Lakhs) 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.

***J. Terms of Issue of the Warrants, if any***

- i. Allotment of 6,00,000 Warrants for cash to Capgro Private Limited, Non-Promoter of the Company.
- ii. The Warrants shall be issued for consideration payable in cash
- iii. 50% of the total amount payable for preferential issue of Warrants shall be received by the Company prior to the allotments
- iv. The Warrants shall be exercised within a period of 2 months from the date of their allotment, in one or more tranches.
- v. 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,
- vi. The Warrants issued pursuant to the abovementioned resolution shall be subject to lock-in in accordance with the ICDR Regulations. However, subject to the aforesaid lock-in, the Equity Shares, upon conversion of Warrants, shall be transferable and transmittable in the same manner and to the same extent as permitted under applicable laws, and shall be subject to the same restrictions and limitations as any other equity shares of the Company.
- vii. 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.

***K. Pricing of Preferential Issue:***

The Board has fixed the price of Rs. 260/- per Warrant in terms of regulation 164 of ICDR Regulations, 2018

***L. 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 and 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 (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, 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. 205.32/- (Rupees Two Hundred Five and Thirty Two paise 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. 255.48/- (Rupees Two Hundred Fifty Five and Forty Eight paise only).

The Board has fixed the floor price as Rs. 260/- per Warrant and the said price fixed by the Board is highest of the above two prices calculated in terms of the ICDR Regulation and other applicable provisions.

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

Not Applicable

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

Not Applicable, as the Company has not proposed to issue the shares for consideration other than cash.

***O. Relevant Date***

In terms of the provisions of Chapter V of the ICDR Regulations, relevant date for determining the floor price for this Preferential Allotment of Warrants is 12<sup>th</sup> September 2022 being the 30 days prior to the date of Extra Ordinary General Meeting.

***P. 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:-

<b>S No</b>	<b>Name of the Proposed Allottee</b>	<b>Current Status of the Allottee</b>	<b>Proposed Status of the Allottee</b>
1	Capgro Private Limited	Non-Promoter	Non-Promoter

***Q. 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.

***R. 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 allotted 13,00,000 equity shares to 8 persons at a price of Rs. 113/- per share amounting to Rs. 14,69,00,000/- on preferential basis.

***S. Lock-in period***

The Warrants and Shares to be issued upon conversion shall be subject to Lock-in as provided under the provisions of 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 trading approval as per Regulation 167 of the ICDR Regulations.

***T. 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 Extra Ordinary General Meeting and all also be available during the Extraordinary 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 Extra Ordinary General Meeting

***U. 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, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

***V. Other disclosures***

In accordance with SEBI ICDR Regulations,

- i. The Company has allotted 13,00,000 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 allotment of the person holding the shares are in dematerialized form.
- iv. The Regulation 166A of the Chapter V of SEBI ICDR Regulations are not applicable as the Company is not being allotted more than 5% of the post issue fully diluted share capital of Company 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. 3 as special resolution for your approval.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution, except as holders of shares in general or that of the companies, firms, and/or institutions of which they are directors, partners or members and who may hold shares in the Company.

**Item No. 4:**

The Board of Directors of the Company had appointed Sri. Narender Kumar (DIN: 03295345) as an Additional Director with effect from 18<sup>th</sup> September 2022, pursuant to provisions of Section 161 of the Companies Act, 2013, who shall hold the office of Director up to the date of the ensuing General Meeting.

The Company has received from Sri. Narender Kumar (DIN: 03295345), a consent in writing to act as Director in form DIR -2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section 2 of Section 164 of the Companies Act, 2013.

Sri. Narender Kumar, a national swimming champion, completed his Bachelor in Technology with Majors in Computer Science & Engineer from Punjab Engineering College, Chandigarh in 2003. During his degree, he was also awarded Advisor's Gold Medal for all-rounder achievements and performance for the batch of 1999- 2003.

He is an investor and advisor too many startups implementing new age technologies to overcome real life challenges. Existing investments include Fintech company helping D2C companies with higher conversions and reduced RTO, Agritech company using IoT to automate operations, AI company using ANPR to build next generation Tolling System for the country, Power Sector company with platform to bring Green Energy to end consumers and an EV startup building charging infrastructure.

In per-UPI days of 2015, he founded a digital payment company Trupay. To build Trupay, he successfully raised investment from international institutional funds. Trupay, a mini-UPI platform, was the country's first mobile based application that allows multi banking real time payment solutions in B2B2C ; a Mini-UPI. During demonetization, he also contributed to the government's initiative to expand digital footprints as part of a committee that framed guidelines for current age digital solutions such as now omnipresent Universal QR code.

The Company has received a notice in writing from shareholder and director pursuant to Section 160 of the Act, proposing the candidature of Sri. Narender Kumar (DIN: 03295345) for the appointment of office of Director, under Non-Executive Non-Independent category.

Hence, the Board recommends the resolution as set out in the Item No. 4 of the notice as an Ordinary Resolution.

Except Sri. Narender Kumar (DIN: 03295345), being the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution

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

<b>Particulars</b>	<b>Sri. Narender Kumar</b>
Date of Birth	14 <sup>th</sup> November 1980
Date of Appointment	18 <sup>th</sup> September 2022
Qualifications	B.Tech
Expertise in specific Functional area	Sri. Narender Kumar, is an investor and advisor too many startups implementing new age technologies to overcome real life challenges. He is a technological expert in IoT and AI. In per-UPI days of 2015, he founded a digital payment company Trupay. Trupay, a mini-UPI platform, was the country's first mobile based application that allows multi banking real time payment solutions in B2B2C ; a Mini-UPI. During demonetisation, he also contributed to the government's initiative to expand digital footprints as part of a committee that framed guidelines for current age digital solutions such as now omnipresent Universal QR code.
Directorship held in other public companies (excluding foreign companies)	Nil
Memberships / Chairmanships of committees of other Public companies(includes only Audit and Shareholders/ Investors Grievance Committee)	Nil
Number of shares held in the company	4,69,743

Hyderabad, 20<sup>th</sup> September 2022

By order of the Board  
For **Kernex Microsystems (India) Limited**  
sd/-  
**M B Narayana Raju**  
**Whole Time Director**  
**DIN: 07993925**