



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001 : 2008 Certified Company)

CIN : L30007TG1991PLC013211

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Registered Office :

'TECHNOPOLIS', Plot No. 38(Part) to 41,
Hardware Technology Park,
TSIC Layout, Imarath Kanch, Raviryal (V),
Maheswaram (M), R.R. (Dist.),
Hyderabad - 500 005. Telangana. India.

KMIL/OC/AR/2017-2018

05th September'17.

To
The Listing / Compliance Department
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

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

BSE Scrip Code: 532686

NSE Symbol: KERNEX

Sub:- Annual General Meeting / Book Closure / e-voting

Sir / Madam,

This is to inform you that 25th Annual General Meeting of the Members of the Company will be held on Friday the 29th September'2017 at the Registered office at Plot No 38 to 41, Survey No 1/1, Hardware Park, Raviryal Village, Maheswaram Mandal, Ranga Reddy District, Hyderabad-500 005.

The Notice containing the business to be transacted at the meeting is attached.

As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in this Notice. Members desirous of voting through electronic mode may refer to the detailed procedure on e- voting forming part of the Annexure to this Notice.

The remote e-voting facility begins on Tuesday September 26, 2017 at 9.30 a.m. and ends on Thursday, September 28, 2017 at 5.00 p.m. (both days inclusive). The remote e-voting shall not be beyond this time. A person whose name is in the Register of Members / Beneficial owner as on the cut-off date, being Friday, September 22, 2017, only shall be entitled to avail the facilities of remote e-voting , attend and vote at the meeting on all the resolutions set forth in the Notice of AGM.



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Pursuant to section 91 of the Companies Act,2013 The Register of Members and Share Transfer Book of the Company shall remain closed from 25th September'2017 to 29th September'2017 (both days inclusive).

Copy of the Annual Report and Notice of AGM is also available at the Company's website www.kernex.in.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours faithfully

For **KERNEX MICROSYSTEMS (INDIA) LIMITED**


K. KRISHNAM RAJU

DIRECTOR INCHARGE



NOTICE

Notice is hereby given that the twenty fifth Annual General Meeting of the members of the Company will be held on Friday the 29th September 2017 at 3.00 P.M at the Registered office at Plot No 38 to 41, Survey No 1/1, Hardware Park, Raviryal Village, Maheswaram Mandal, Ranga Reddy District, Hyderabad-500005 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance sheet as at 31st March 2017 and the statement of Profit and loss for the year ended on that date together with the reports of the Director's and Auditors thereon.
2. To appoint a Director in place of Raju Narasa Mantena (DIN:02666074) who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. PRSV&Co., LLP, Chartered Accountants (ICAI Registration No.:S200016), be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s.GMK Associates, Chartered Accountants (ICAI Registration No.006945S the retiring Statutory Auditors, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of thirtieth Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the Members at every Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to sections 160 & 161 of the Companies Act, 2013 and any other applicable provisions if any ,Mr. K Krishnam Raju, who was appointed as an Additional Director on 29th October, 2016 be and is hereby appointed as a Director of the Company who is not liable to retire by rotation.

5. To consider and if thought fit to pass with or without modification the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to the provisions of Sections 196,197 and other applicable provisions, if any, of the Companies Act,2013 as amended or re-enacted from time to time read with Schedule-V to the Act, the Company hereby approves the appointment of Sri.K Krishnam Raju, as a Whole Time Director of the Company for a period of 5 years with effect from 29th October'2016 on the following terms and conditions.

1. Remuneration:

- A) Salary: Rs. 2,50,000/- per month with authority to the Board of Directors and/or a Committee of the board, to vary the same from time to time
- B) Perquisites & Allowances: In addition to the salary payable, he shall also be entitled to the following perquisites and allowances
 - a) House Rent Allowance @ 40% of the salary.
 - b) Special Monthly allowance @ 60% of the salary.

- c) Reimbursement of Medical expenses incurred for self and his family not exceeding one month salary in a year or three months salary in a block of three years.
 - d) Leave travel assistance: Expenses incurred for self and family in accordance with company's rules.
 - e) Car: The Company shall provide a car for company's business.
 - f) Phone / cell phone: free except for personal long distance calls which shall be billed.
 - g) Club Fee: Subject to a maximum of two clubs. This will not include admission and life membership.
 - h) Group Medical Insurance and Personal Accident Insurance Premium as per the rules of the Company.
 - i) Reimbursement of entertainment expenditure actually and properly incurred for the business of the Company.
2. Minimum remuneration: Notwithstanding any thing to the contrary herein contained, if in any financial year during the currency of the tenure of Mr. K.Krishnam Raju, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, perquisites and allowance as specified above, subject to the limits specified in Companies Act, 2013 including amendments made thereto.
3. The terms and conditions of the appointment and / or Agreement may be altered or varied from time to time by the Board of Directors and/or a Committee of the Board as it may, in its discretion, deem

fit, within the Maximum amount payable in accordance with the provisions contained in Companies Act' 2013, subject to amendments, if any, or any amendments made hereinafter in this regard.

6. To consider and if thought fit to pass with or without modification the following resolution as a Special resolution.

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association of the Company in conformity with the Companies Act 2013 submitted to this meeting, be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

By order of the Board
for **KERNEX MICROSYSTEMS (INDIA) LIMITED**

K. Krishnam Raju
Director Incharge

Palce : Hyderabad

Date : 10th August, 2017

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company duly completed and signed not less than 48 hours before the commencement of the meeting. The proxies submitted on behalf of the Companies, societies etc., must be supported by an appropriate resolution/authority as applicable. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The explanatory statement in respect of item no's 4,5 and 6 of the notice in pursuance of section 102(1) of the Companies Act, 2013 is annexed hereto.
3. Shareholders holding shares in physical form are requested immediately to inform change in address if any to the Company's Registrar and transfer agent, Karvy Computershare Private Limited. Shareholders holding shares in electronic form must send change in their address to their respective Depository participants and not to the Company.
4. The Register and Share transfer Books of the Company shall remain closed from 25th September 2017 to 29th September' 2017 (both days inclusive).
5. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days in advance of the meeting to enable the management to keep the information ready.
6. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those members whose e-mail

addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

7. To support the "Green Initiative", the members who have not registered their e-mail addresses are requested to register the same with Depositories.
8. All documents referred to in this Notice will be available for inspection at the registered office of the Company during business hours on working days up to the date of AGM.
9. There is no Unclaimed/Unpaid dividend amounts to be transferred to IEPF (Investor Education and Protection Fund) as no dividend was declared for the financial year 2009-2010.
10. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in this Notice. Members desirous of voting through electronic mode may refer to the detailed procedure on e-voting forming part of the Annexure to this Notice.
11. As per Regulation 44 of SEBI Listing Regulations, the Company will submit details of the voting results in respect of each of the resolutions proposed in this Notice to the stock exchanges within 48 hours of conclusion of its AGM.
12. The facility for voting through ballot / polling paper shall be made available at the AGM, to all the members attending the AGM, who have not opted e-voting facility. Further, the members who have opted e-voting facility may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
13. Details of Directors seeking appointment/re-appointment at this AGM are provided in the

Annexure to this Notice.

14. (a) E- voting instructions
(b) Proxy Form; and
(c) Attendance Slip are annexed to this Notice.

(A) PROCEDURE AND INSTRUCTIONS FOR E-VOTING:

E-voting Instructions

The instructions and other information relating to e-voting are as under:

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed on the attendance slip/sent via email forwarded through the electronic notice
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

1. The procedure for e- voting is as below:

- i. Launch internet browser by typing URL: <https://evoting.karvy.com>
- ii. Enter the login credentials (i.e. User ID and Password mentioned in the attendance slip). Your Folio No./DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e - voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. Members holding shares in Electronic / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A - Z), one lower case (a - z), one numeric value (0 - 9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e- voting through Karvy Computershare Private Limited e- voting platform. System will prompt you to change your password and update any contact details like mobile, e-mail ID, etc. on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password, in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- v. You need to login again with new credentials.
- vi. On successful login, the system will prompt you to select the 'EVEN' i.e., "KERNEX MICROSYSTEMS."
- vii. On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR', partially in 'AGAINST' and partially in 'ABSTAIN', but the total number in 'FOR/AGAINST/ABSTAIN' taken together should not exceed your total shareholding. If you do not want to cast any vote, select 'ABSTAIN'.
- viii. Members holding multiple folios /demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

- x. After selecting the appropriate option for each of the resolution, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
 - xi. Upon confirming, you will not be allowed to modify your vote.
 - xii. During the voting period, members can login any number of times till they have voted on the Resolution(s). However, you may still attend the AGM and participate in the discussions.
 - xiii. Corporate/Institutional members (Corporate / FIs / FII's / Trust/Mutual Funds /Banks, etc.) are required to send scanned certified true copy (in PDF) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s) to the Scrutinizer through e-mail to **kernexscrutinizer@gmail.com** with a copy to **evoting@karvy.com** or send it to the registered office of the Company. The scanned file of the above mentioned documents should be in the naming format "**Kernex_EVEN**".
 - xiv. In case of any queries, you may refer to Frequently Asked Questions (FAQs) for shareholders and e- voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact the Registrar & Share Transfer Agent, Karvy Computershare Pvt. Ltd. at Toll Free No. 1-800-3454-001.
2. The e- voting period commences on Tuesday September 26, 2017 at 9.30 a.m. and ends on Thursday, September 28, 2017 at 5.00 p.m. (both days inclusive). Please note that e- voting mode shall not be allowed beyond 5.00 p.m. on Thursday September 28, 2017. During this period, the Members of the Company holding shares in physical form or in electronic form, as on the cut-off date, being Friday, September 22, 2017, may cast their vote by electronic means in the manner and process set out hereinabove. The e- voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently. Further, the members who have cast their vote electronically shall not vote by way of poll, at the AGM.
3. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as on the cut-off date i.e. Friday, September 22, 2017, may obtain the User ID and Password in the manner as mentioned below:
- a. If the mobile number of the member is registered against Folio No./DP ID-Client ID, the member may send SMS : MYEPWD EVEN + Folio No. or DP ID Client ID to 9212993399

Example for NSDL : MYEPWD
In12345612345678

Example for CDSL : MYEPWD
1402345612345678

Example for Physical : MYEPWD
XXXX1234567
 - b. If e-mail or mobile number of the member is registered against Folio No./DP ID-Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No./DP ID-Client ID and PAN to generate a password.
4. The voting rights of the members shall be in proportion to their shares of the paid up equity share capital of the Company, subject to the provisions of the Companies Act, 2013, as amended, as on the cut-off date, Friday, September 22, 2017.
5. The Board of Directors have appointed Mr. A.J.Sharma, Practicing Company Secretary as a Scrutinizer to scrutinize the e- voting / poll process in a fair and transparent manner.
6. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e - voting period unblock the votes in the presence of at least two (2)

witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman/any other authorized person of the Company.

7. The result on resolutions shall be declared on or after the AGM and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.

8. The results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.kernex.in) and on Service Provider's website (<https://evoting.karvy.com>) within three (3) days of passing of the resolutions and will also be communicated to BSE Limited and National Stock Exchange of India Limited.

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

Particulars	Dr Raju Narasa Mantena	Sri. Kanumuri Krishnam Raju
Date of Birth	July 4, 1944	April 24, 1976
Date of Appointment	September 20, 2008	October 29, 2017
Qualifications	MD in USA and MBBS from Andhra University	Post Graduate in Business Administration from Pittsburg State University; Pittsburg, KS, USA.
Expertise in specific Functional area	He is a Physician and has about 28 years experience in Anesthesiology in USA. He received fellowship from Washington University, USA. He worked as Assistant Professor of Anesthesiology in Washington University from 1978 to 1980 and worked as consultant Anesthesiologist at St.Lukes Hospital USA from 1980-2002. He is working as Secretary and Correspondent of NRI Academy of Sciences since 2003.	He has successfully executed several Infrastructure projects in and around Hyderabad. Business analyst in Cigna health care for around two years.
Directorship held in other public companies (excluding foreign companies)	Nil	Nil
Memberships / Chairmanships of committees of other Public companies (includes only Audit and Shareholders/Investors Grievance Committee)	Nil	Nil
Number of shares held in the company	8,54,633	Nil

**EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act,
2013)**

Item No: 4 & 5

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. K. Krishnam Raju, (DIN: 01427121) as an Additional Director on the Board of the Company with effect from 29th October, 2016 to hold office up to the date of the Annual General Meeting. He was also appointed as the Whole Time Director with the Designation of Director In-charge of the Company with effect from 29th October, 2016, subject to the approval of the Members.

Mr. K.Krishnam Raju is a Post Graduate in Business Administration from Pittsburg State University; Pittsburg, USA. He has successfully executed several Infrastructure projects in and around Hyderabad besides his experience as Business analyst in Cigna health care. He has brought in strong execution rigor to his work, and has considerably strengthened both innovation and new products development. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 (the "Act") along with the amount of requisite deposit from a Member signifying his intention to propose the appointment of Mr. K.Krishnam Raju as a Director of the Company. The remuneration and other terms and conditions of Mr. K Krishnam Raju's appointment as whole time Director as set out in the resolution is subject to your approval.

None of the Directors, Key Managerial Personnel and their relatives other than Mr. K.Krishnam Raju are, in any way, concerned or interested in the said resolutions.

The resolutions as set out in item nos. 4 and 5 of this Notice are accordingly commended for your approval.

Item No: 6

With the coming into force of the Companies Act, 2013 several regulations of the existing AoA of the Company require alteration or deletions. It is therefore considered expedient to replace the existing AoA with an entirely new set of AoA. The substitution of the existing AoA with the new AoA is proposed to align the AoA of the Company with the provisions of the Companies Act, 2013. The proposed new draft AoA is being uploaded on the Company's website www.kernex.in for information of the shareholders and also kept available for inspection during office hours at the registered office of the Company up to the date of the meeting.

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

The resolutions as set out in item no. 6 of this Notice is accordingly commended for your approval.

By order of the Board
for **KERNEX MICROSYSTEMS (INDIA) LIMITED**

K Krishnam Raju
Director In-charge
(DIN: 01427121)

Palce : Hyderabad
Date : 10th August, 2017