



KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001 : 2008 Certified Company)

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Registered Office :

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

KMIL/SE/AGM/2018-19/129

15th October'18.

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

Dear Sir/Madam,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed certified copy of the Minutes of the 26th Annual General Meeting of the members of the Company held on 28th September, 2018.

Kindly take the above information on record and acknowledge.

Thanking you,

Yours faithfully

For KERNEX MICROSYSTEMS (INDIA) LIMITED


Badari Narayana Raju Manthana
Whole Time Director
DIN: 07993925



Encl: As above

MINUTES OF THE 26TH ANNUAL GENERAL MEETING OF THE MEMBERS OF KERNEX MICROSYSTEMS INDIA) LIMITED HELD AT THE REGISTERED OFFICE OF THE COMPANY AT PLOT NO.38 TO 41, HARDWARE PARK, SURVEY NO.1/1, MAHESWARAM MANDAL RAVIRYAL VILLAGE, HYDERABAD-501 510, TELANGANA, ON FRIDAY THE 28TH SEPTEMBER 2018 AT 11.00 A.M

Present:

1. Dr. Raju Narsa Mantena, Chairman
2. Sri.T V S N Raju, Independent Director
3. Sri. Ashok Gopal Rao Kalmankar, Independent Director
4. Dr. Anji Raju Manthena, Director
5. Sri. Badari Narayana Raju Manthena, Whole Time Director
6. Ms. Sree Lakshmi Manthena, Director
7. Sri. K. Krishnam Raju --CEO
8. Sri. CA Ramayya V, CFO
9. Sri. CS Prasada Rao Kalluri, Company Secretary
10. Sri. A J Sharma, Scrutinizer
11. Sri. CA Y Venkateswarlu, Statutory Auditor

Members and Proxies present as per Attendance Register:

The Meeting was attended by 52 shareholders out of whom 33 share holders are in person and 19 shareholders through proxy.

Chairman :

Mr. Raju Narasa Mantena ,Chairman

Quorum :

The requisite quorum being present, the Chairman called the meeting to order.

Welcome Address:

The Chairman welcomed the members. He informed the members that the Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts with related party and contracts etc. in which directors are interested and Register of Proxy, Auditors' Reports on standalone and consolidated financial statements and the Secretarial Audit Report etc., are available and the members could inspect the same anytime during the meeting.

Proxies:

The Chairman informed the members that the Company has received 19 valid proxies representing 19 equity shares. The Chairman stated that these are available for inspection by the members present.

Notice of AGM:

With the consent of the members present, the Notice convening the meeting was taken as read.

Auditor's Report:

The Chairman informed the members that the Auditor's Report on the standalone financial statements for the year ended 31st March, 2018 and the Secretarial Audit Report for the year ended 31st March, 2018 contains certain observations in the form of 'Qualified Opinion' and 'Emphasis of matter', the Auditor's Report on the consolidated financial statements for the year ended 31st March, 2018 also contains certain observations in the form of 'Qualified Opinion' and 'Emphasis of matter', and requested the Statutory Auditor, Mr. Y Venkateswarlu to read out the same.



Mr. Y Venkateswarlu then read out the relevant portion from the 'Independent Auditors' Report on Standalone and Consolidated Financial Statements' for the financial year ended 31st March, 2018.

Voting Process:

The Chairman informed the members that pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended ("Rule") and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company had provided facility of voting through electronic means (remote e- voting) and that the same was conducted from 25th September'2018 (09.00 AM) to 27th September'2018 (05:00 PM).

He further informed the members that those of the members present, who had not cast their votes through remote e-voting, will be given an opportunity to cast their vote by means of ballot that will be conducted at the venue of this Meeting.

The members were informed that the Board had appointed Mr. A J Sharma, Practicing Company Secretary as the Scrutinizer for the remote e-voting as well as the Scrutinizer for the voting by ballot at the venue of the meeting.

The outcome of each resolution will be declared based on the scrutinizer report of the combined votes cast by e-voting and Poll at AGM

Agenda:

The Chairman then proceeded with the business to be transacted at the meeting. He explained the objective and implications of each resolution.

Ordinary Business:

Item No. 1: ORDINARY RESOLUTION

To receive, consider and adopt the audited Standalone and consolidated financial statements for the year ended on 31st March 2018 together with the reports of the Director's and Auditors thereon

Mr. P V Sampath Kumar , member proposed the following as an Ordinary Resolution which was seconded by Mr. K Srinivasa Raju, member

"RESOLVED THAT the standalone audited financial statements for the year ended 31st March, 2018 together with the Reports of the Directors and Auditors thereon be and are hereby considered, approved and adopted."

"RESOLVED THAT the consolidated audited financial statements for the year ended 31st March, 2018 together with the Report of the Auditor's thereon be and are hereby considered, approved and adopted."

The Chairman invited the members present to seek clarification, if any, on the accounts of the Company. The Chairman/CEO/CFO answered the queries relating to the operations of the Company and the accounts to the satisfaction of the members.

Item No. 2: ORDINARY RESOLUTION

To appoint a director in place of Dr Anji Raju Manthena (DIN-01022368) who retires by rotation and being eligible offers himself for re-appointment.

Mr.K Jaihind Kumar member proposed the following as an Ordinary Resolution which was seconded by Mr.H Ramesh Rao member



A handwritten signature in black ink, appearing to read "H. Ramesh Rao", written over the stamp.

"RESOLVED THAT Dr. Anji Raju Manthena (DIN #01022368), Director of the Company who retires by rotation and being eligible has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company."

Item No. 3: ORDINARY RESOLUTION

To appoint a director in place of Dr Vinta Janardhana Reddy (DIN-02414912) who retires by rotation and being eligible offers himself for re-appointment

Mr. Balaji Mahesh Kumar Polimera member proposed the following as an Ordinary Resolution which was seconded by Mr. P V Sampath Kumar.

"RESOLVED THAT Dr. Vinta Janardhana Reddy (DIN #02414912), Director of the Company who retires by rotation and being eligible has offered himself for re-appointment be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS

Item No. 4: ORDINARY RESOLUTION

Appointment of Mr. Manthena Badari Narayana Raju (DIN07993925) as a Director

Mr. Venkateswara Rao Nunna member proposed the following as an Ordinary Resolution which was seconded by Mr. K Srinivasa Raju.

Resolved that Mr. Manthena Badari Narayana Raju (DIN:07993925) who was appointed as an additional director at the meeting of the Board of Directors held on 20th November 2017 and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 160 of the Companies Act 2013 proposing his candidature for the office of Director of the Company be and is hereby appointed as a director of the Company

Item No. 5: ORDINARY RESOLUTION

Appointment of Mr. Manthena Badari Narayana Raju (DIN-07993925) as Whole time Director w.e.f 20th November 2017 and re-appointment thereafter up to 27th September 2020 and approve the remuneration

Mrs. L Swaroopa member proposed the following as an Ordinary Resolution which was seconded by Mr. K Jaihind Kumar.

Resolved that in pursuance of the recommendations of the Nomination and Remuneration committee of the Company and pursuant to section 196,197,203 and other applicable provisions if any, of the Companies Act, 2013("the Act") read with Schedule V to the Act and the rules made there under as amended from time to time, the approval of the members of the Company be and is hereby accorded for the appointment of Mr. Manthena Badari Narayana Raju (DIN:07993925) AS A WHOLE TIME DIRECTOR OF THE Company for a period up to the ensuing Annual General Meeting effective from 20th November 2017 and re-appointment thereafter up to 27th September 2020 on the following terms and conditions

1. Remuneration:

- A) Salary: Rs. 50,000/- per month up to 31st March 2018 and thereafter Rs 75,000/- 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. Badari Narayana 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.

Item No. 6: ORDINARY RESOLUTION

Appointment of Ms Sree Lakshmi Manthena (DIN-07996443) as a Director

Mr. P V Sampath Kumar member proposed the following as an Ordinary Resolution which was seconded by Mr M Anjaiah.

Resolved that Ms Sree Lakshmi Manthena (DIN:07996443) who was appointed as an additional director at the meeting of the Board of Directors held on 20th November 2017 and who holds office as such up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under section 160 of the Companies Act 2013 proposing her candidature for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation

Item No. 7: ORDINARY RESOLUTION

Appointment of Mr T.V.S.N Raju (DIN-02254926) as an Independent Director

Mr. M Anjaiah member proposed the following as an Ordinary Resolution which was seconded by Mr. Balaji Mahesh Kumar Polimera.

Resolved that Mr. T.V.S.N.Raju (DIN:02254926) who was appointed as an additional director of the Company by the Board of Directors with effect from 10th February 2018 and who holds office up to the date of this Annual General Meeting under section 161(1) of the Companies Act 2013 ("the Act") and Article 116 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice under section 160(1) of the Act from a member proposing his candidature for the office of Director be and is hereby appointed a Director of the Company

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 Schedule IV and other applicable provisions if any of the Act and the Companies (Appointment and qualifications of Directors) Rules 2014 as amended from time to time, appointment of Mr. T.V.S.N.Raju who has submitted a declaration that he meets the criteria for independence



a provided in Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as an Independent Director of the Company not liable to retire by rotation with effect from 10th February 2018 up to 31st March 2020 be and is hereby approved

Item No. 8: SPECIAL RESOLUTION

Appointment of Mr Ashok Gopal Rao Kalmankar (DIN-01557687) as an Independent Director

Mr. H Ramesh Rao member proposed the following as an Ordinary Resolution which was seconded by Mr. P V Sampath Kumar.

Resolved that Mr. Ashok Gopal Rao Kalmankar (DIN:01557687) who was appointed as an additional director of the Company by the Board of Directors with effect from 12th August 2018 and who holds office up to the date of this Annual General Meeting under section 161(1) of the Companies Act 2013 ("the Act") and Article 116 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice under section 160(1) of the Act from a member proposing his candidature for the office of Director be and is hereby appointed a Director of the Company

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149,152 Schedule IV and other applicable provisions if any of the Act and the Companies (Appointment and qualifications of Directors) Rules 2014 as amended from time to time, appointment of Mr. Ashok Gopal Rao Kalmankar (DIN: 01557687)who has submitted a declaration that he meets the criteria for independence a provided in Section 149(6) of the Act and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as an Independent Director of the Company not liable to retire by rotation with effect from 12th August 2018 up to 31st March 2023 be and is hereby approved

Voting by Ballot :

The Chairman announced that the Agenda of the meeting was complete and all resolutions were duly proposed and seconded and in accordance with the provisions contained in the Companies Act, 2013 the voting at the meeting would be conducted by casting of ballot at the same venue. Mr. A J Sharma was appointed as the Scrutinizer for the voting by ballot and to report the result thereon to him. Mr R Vikarm and Mr. P Vamsi Krishna, both not in the employment of the Company were appointed as the witnesses.

On the instructions of the Chairman, the Scrutinizer, Mr. A J Sharma exhibited the empty ballot box to the members present, locked and sealed the polling box in presence of the members and proxies including the witnesses and distributed the polling papers after keeping necessary records.

The Chairman declared the meeting as closed at 12.15 p.m. subject to completion of the procedures connected with the voting by ballot and declaration of the result

Vote of Thanks:

Mr. M B Narayana Raju proposed vote of thanks to the Chair ..



A handwritten signature in black ink, appearing to read "M B Narayana Raju", written over a light blue horizontal line.

Declaration of Result:

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Based on the consolidated Scrutinizers' Report incorporating the results of remote e-voting and voting by ballot at the venue of the Meeting, the Chairman declared the consolidated result of the voting as under:-

Resolution No.	Subject matter of the Resolutions	% of votes in favour	% of votes against
1	To receive, consider and adopt the audited Standalone and consolidated financial statements for the year ended on 31 st March 2018 together with the reports of the Director's and Auditors thereon	99.9993	0.0007
2	To appoint a director in place of Dr Anji Raju Manthena (DIN-01022368) who retires by rotation and being eligible offers himself for re-appointment	99.9739	0.0261
3	To appoint a director in place of Dr Vinta Janardhana Reddy (DIN-02414912) who retires by rotation and being eligible offers himself for re-appointment	99.9739	0.0261
4	Appointment of Mr. Manthena Badari Narayana Raju (DIN07993925) as a Director	99.9993	0.0007
5	Appointment of Mr. Manthena Badari Narayana Raju (DIN-07993925) as Whole time Director w.e.f 20 th November 2017 and re-appointment thereafter up to 27 th September 2020 and approve the remuneration	99.9991	0.0009
6	Appointment of Ms Sree Lakshmi Manthena (DIN-07996443) as a Director	99.9993	0.0007
7	Appointment of Mr T.V.S.N Raju (DIN-02254926) as an Independent Director	99.9993	0.0007
8	Appointment of Mr Ashok Gopal Rao Kalmankar (DIN-01557687) as an Independent Director	99.9993	0.0007

All the resolutions as proposed in the Notice calling the 26th AGM were passed with requisite majority

With this the proceedings of the 26th Annual General Meeting stood concluded.

Place: Hyderabad,

Date of Entry in the Minutes Book &

Date of Signing: 29.09.2018


(Dr.Raju Narasa Mantena)
Chairman