



KERNEX MICROSYSTEMS (INDIA) LTD.

(AN ISO-9001 : 2008 Certified Company)

CIN : L30007TG1991PLC013211

Phone : +91-40-23113192-94
Fax : +91-40-23114187
Email : kernex@kernexmail.in
Website : www.kernex.in



Registered Office :

'THRUSHNA', Plot No. 7,
Software Units Layout, Infocity
Madhapur, Hyderabad - 500 081.
Telangana, India.

KM!L/2016/CS/K033

21st Sept-16

The General Manager The Department of Corporate Services Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 BSE Scrip Code: 532686	The Manager National Stock Exchange of India Ltd Plot No. C/1, G Block, Exchange Plaza, Bandra – Kurla Complex, Bandra (E) Mumbai – 400 051 NSE Symbol: Kernex
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Dear Sir,

Sub:- EXTENSION OF ANNUAL GENERAL MEETING – Reg.

Pursuant to the notification to the Stock Exchanges on dt. 19th instant, on the subject, the Company had obtained approval from the Registrar of Companies, Hyderabad for conducting the AGM for the FY: 2015-16 within a period of 3 months, vide RoC letter dt. 19th Sept-16.

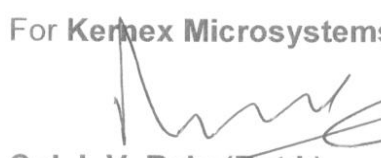
In this connection, the Board of Directors of the Company had decided to call for AGM for FY:2015-16 on 18th October-2016.

All the details are available in the Annual Report that are being dispatched in a day or two to the shareholders entitled as per the Benpos dt. 16th Sept-16.

The inconvenience caused in this regard is deeply regretted.

Thanking you & with regards

For Kernex Microsystems (I) Ltd


Col. L.V. Raju (Retd.)
Managing Director




S. Srinivasa Kiran
Whole Time Company Secretary



सत्यमेव जयते

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

Office of the Registrar of Companies
2nd Floor, CPWD Building Kendriya Sadan, Hyderabad, Telangana, India, 500195

DATED : 19-09-2016

IN THE MATTER OF M/S KERNEX MICROSYSTEMS (INDIA)LIMITED..... CIN L30007TG1991PLC013211

AND

IN THE MATTER OF EXTENSION UNDER SECTION 96(1) OF THE COMPANIES ACT, 2013

The Company has closed its accounting year on 31-03-2016 and the Annual general meeting of the company is due to be held on 30-09-2016 as per requirements of section 96 of the Companies Act, 2013. The company has made an application vide SRN G11587193 on 16-09-2016 requesting for an extension of time for the purpose of holding AGM on the following grounds

ON REQUEST OF COMPANY

Keeping in view, the aforesaid circumstances due to which company cannot hold its Annual General Meeting on time, extension 3 months 0 days is considered.

ORDER

Under the power vested in the undersigned by virtue of section 96(1) read with second proviso attached thereto extension of 3 months 0 days is hereby granted. However, the company is hereby advised to be careful in future in compliance of the provisions of the Companies Act, 2013.



Yours faithfully,

N KRISHNAMURTHY

Registrar of Companies

Registrar of Companies

RoC - Hyderabad

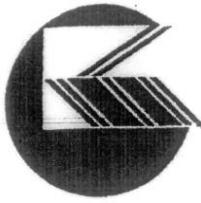
Mailing Address as per record available in Registrar of Companies office:

KERNEX MICROSYSTEMS (INDIA)LIMITED.....

**PLOT NO.7, SOFTWARE UNITS LAYOUT, MADHAPUR,, HYDERABAD,
A.P., Telangana, India, 500081**



Note: This letter is to be generated only when the application is approved by RoC office



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NOTICE

Notice is hereby given that the Twenty Fourth (24th) Annual General Meeting of the members of the company will be held on **Tuesday, the 18th October-2016** at 3.00 P.M. at Hotel Minerva Grand Hotel, Sarojini Devi Road, Secunderabad-500003, Voice: +919866385172, Phone: + 91 40 6611 7373 to transact the following business.

ORDINARY BUSINESS

- 1) To receive, consider and adopt
 - a. the Audited Financial Statements of the Company for the financial year ended March 31, 2016, together with the Reports of the Board of Directors and the Auditors thereon; and
 - b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.
- 2) To appoint a Director in place of Dr. Vinta Janardhan Reddy (DIN # 02414912) who retires by rotation and being eligible, offers herself for re-appointment.
- 3) To appoint a Director in place of Dr. Anji Raju (DIN # 01022368) who retires by rotation and being eligible, offers himself for re-appointment.
- 4) Re-Appointment of Auditors.

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 section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under from time to time, the Company hereby ratifies the re-appointment of M/s GMK Associates, Chartered Accountants, (Firm Registration No:006945S) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Twenty Fifth (25th) Annual General Meeting of the Company to be held in the year 2017 (Subject to ratification of their appointment at every AGM) at such remuneration plus service tax etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

Re-Appointment of Mr. B. Murali Mohan, Director (Technical), DIN # 00052139 as Whole Time Director of the Company w.e.f: 17th July-2016 until 31st March-2017. 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 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), as amended or re-enacted from time to time, read with Schedule V to the Act, the Company hereby approves the Appointment / re-appointment and terms of remuneration of Mr. B. Murali Mohan, (DIN) as an Whole Time Director of the Company for a period upto 31st March-2017 with effect from July 17, 2016 upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment), with authority to the Board of Directors to alter and vary the terms and



conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. B. Murali Mohan."

"RESOLVED FURTHER that the Board or a Committee thereof be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

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

Place: Hyderabad
Date: 15-09-2016

Col.L.V.Raju (Retd)
Managing Director

NOTES:

1. Explanatory statement in respect of item No.5 to 6 of the Notice is annexed hereto in pursuance of section 102 of the Companies Act, 2013 and the same forms part of the notice.
2. **A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote Instead of himself / herself. Such a proxy/ proxies need not be a member of the company.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

1. Shareholders holding shares in physical form are requested to advise any change of address immediately to company's Registrar and Share Transfer Agent, **Karvy Computershare Private Limited**. Shareholders holding shares in electronic form must send the advice about change in address to their respective Depository participants and not to the Company.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 17th October 2016 to 18th October 2016 (both days inclusive).
3. 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.
4. The Notice of the AGM along with the Annual Report 2015-16 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.
5. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Depositories.
6. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

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7. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

Pursuant to provisions of the Act and other applicable rules, if any, of the Companies Act, 2013, all unclaimed & remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company have been transferred to the IEPF established by the Central Government. It may be noted that the unclaimed Dividend for the financial year 2008-09 declared by the Company can be claimed by the shareholders from IEPF.

8. In compliance with the provisions of section 108 of the Act and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by KARVY, on all resolutions set forth in this Notice. In order to enable its Members, who do not have the access to e-voting facility to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, the Company is enclosing a Ballot Form with the Notice. Instructions for Ballot Form are given at the back of the said form and instructions for e-voting are given here in below. Resolution(s) passed by Members through Ballot Forms or e-voting is / are deemed to have been passed as if they have been passed at the AGM.
9. The board of directors has appointed Mr. Abhishek Shukla & Associates, Practicing Company Secretaries Membership No. 27253, CP No: 14769) and failing him Mr. Irfan, Practicing Company Secretary (Membership No. 32512, CP No: 11951) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
10. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
11. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

PROCEDURE AND INSTRUCTIONS FORE-VOTING:

Instructions and other information relating to e-voting:

- i) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii) Enter the login credentials (i.e., user-id & password) mentioned on the enclosed Form. Your folio / DP Client ID will be your User-ID.

User-ID	For Members holding shares in Demat Form:- a) For NSDL:-8Character DPID 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 Note / 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.

- iii) After entering these details appropriately, click on "LOGIN".
- iv) Members holding shares in Demat / 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 #, email 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 the new credentials.
- vi) On successful login, system will prompt to select the 'Event' i.e., 'KERNEXMICROSYSTEMS'
- vii) If you are holding shares in Demat form and had logged onto <https://evoting.karvy.com> and casted your vote earlier for any company, then your existing login id and password are to be used.
- viii) 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' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select 'ABSTAIN'
- ix) After selecting the resolution you have decided to vote on, 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.
- x) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- xi) Corporate / Institutional Members (corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to kernexscrutinizer@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name__ Event no."
- xii) The remote e-voting period commences on 15th October, 2016 (10:00 am) and ends on 17th October, 2016 (5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., 11th October, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by KARVY for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- xiii) Mr. Mohammad Irfan, Practicing Company Secretary (Membership No: 32512, CP No: 11951), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- xiv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.kernex.in and on the website of KARVY www.evoting.karvy.com within three days of the passing of the resolutions at the twenty Fourth AGM of the Company on 18th October, 2016 and communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.



Details of Directors Seeking Appointment/ Reappointment at the 24th Annual General Meeting.

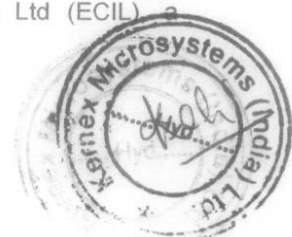
Particulars	Dr Anji Raju Manthena	Dr Vinta Janardhana Reddy	Mr. B. Murali Mohan
Date of Birth	October 13, 1944	August 10, 1946	July 17, 1948
Date of Appointment	May 20, 2005	September 20, 2008	January 22, 2001
Qualifications	M.S. (General Surgery) from Andhra University and M.D. (USA)	MBBS and MD (USA)	BE (Electronics & Communications)
Expertise in specific Functional area	He has been practicing for the last 37 years in the Space centre, NASA region of Houston, Texas and has been actively involved in software related activities in Corporate hospitals. He has served as a member of various committees in Clear Lake Regional Medical centre as well as managing partner of Anesthesia Associates and president professional corporation	He has 40 years experience as Physician working in USA. He is a member of Texas Medical Association, USA. He worked as executive vice president TANA and convener for 7th TANA conference.	has over 46 Years of experience in managing, designing, developing several control & automation products. He is a FIRST Rank holder in BE (Electronics & Communications) from Andhra University. At Kernex, he oversees the design & development, purchase, production QA, testing and project coordination activities of the Company. Before joining Kernex in 1999, he worked at Electronics Corporation of India Ltd (ECIL), a Government of India Company for about 28 Years at different levels.
Directorship held in other public companies (excluding foreign companies)	Nil	Nil	Nil
Memberships / Chairmanships of committees of other Public companies (includes only Audit and Shareholders/ Investors Grievance Committee)	Nil	Nil	Nil
Number of shares held in the company	277,078	1,98,655	150,071

EXPLANATORY STATEMENT

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

Item No: 5

Mr. Murali Mohan Bandaru (Director-Technical) has over 46 Years of experience in managing, designing, developing several control & automation products. He is a FIRST Rank holder in BE (Electronics & Communications) from Andhra University. At Kernex, he oversees the design & development, purchase, production QA, testing and project coordination activities of the Company. Before joining Kernex in 1999, he worked at Electronics Corporation of India Ltd (ECIL), a Government of India Company for about 28 Years at different levels.



During 2013, the Board re-appointed him once again as Director (Technical) / WTD, whose term of office was come to an end by 16th July-2016. However, the NRC Committee & Board of Directors in its meeting held on 09th August-2016 recommended his continuance of services till 31st March-2017.

Associated since: 22nd Jan-2001

The main terms and conditions of appointment of Mr.Murali Mohan (hereinafter referred to as "Director (Technical)") are given below:

A. Tenure of Appointment:

Upto 31st March-2017, with effect from 16th July-2016.

B. Nature of Duties:

The Director Technical shall devote his whole time and attention to the business of the Company and shall perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the Director Technical from time to time by serving on the Boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

In view of brilliant academic record, technical competence and experience as Director (Technical), for over four decades and the need to have continuity of development and implementation of the focused area of Safety products in Railways more particularly the time line to deliver the Train Collision Avoidance System for Indian Railways, the Nomination and Remuneration committee at its meeting held on 09th August, 2016 has recommended to the Board for re-appointment as Director (Technical) for a further period upto 31st March-2017, with effect from 16th July 2016 the Board having regard to the rich and long experience, need for involvement at this critical and final stage of delivery of TCAS Project and Egyptian National Railway project has also gave its consent being in the best interest of the Company subject to the approval of the members at the ensuing Annual General Meeting by a special resolution. The following are the details of the salary and perquisites proposed to be paid to Mr. B. Murali Mohan, Director (Technical):-

Salary Rs.2,10,000 per month Accommodation/House Rent Allowance @25% of the salary In addition to the above, he shall be entitled to receive the following:-

- a. Reimbursement of expenses on Gas, Electricity, water and furnishings at actuals
- b. Medical reimbursement as per IT Act, 1961
- c. Use of car, telephone at residence and mobile phone for Company's business at Company's expense
- d. contribution to PF, Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, leave encashment at the end of the tenure which shall not form part of the perquisites
- e. Health insurance for self and wife upto Rs.5.00 lakhs.

Accordingly the Board recommends the passing of the special resolution as set out in the item no. 5 of the Notice. The brief resume of Mr. B. Murali Mohan's experience and his expertise in specific functional areas, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives is, in any way, concerned or interested, financially or otherwise, in the said resolution. The Board commends the Special Resolution set out at Item No 5 of the Notice for approval by the members.

By order of the Board
Kernex Microsystems(India)Limited

Sd/-

Col L.V.Raju (Retd)
Managing Director
(DIN: 00052102)

Place: Hyderabad
Date: 09th August 2016

