

**SCRUTINIZER'S REPORT ON E-VOTING CARRIED OUT FOR
KERNEX MICROSYSTEMS (INDIA) LIMITED**

The Chairman
Kernex Microsystems(India)Limited,
Hyderabad

23rd Annual General Meeting of the equity shareholders of Kernex Microsystems (India) Limited held on Monday the 28th September 2015 at 3.00 P.M at Hotel Minerva Grand, Sarojinidevi Road, Secunderabad-500003

Sub: Passing of Resolutions through e-voting pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and administration) Rules 2014

The Board of Directors of Kernex Microsystems (India) Limited passed a resolution at their meeting held on 10th August 2015 appointing me as scrutinizer for the e-voting process to be conducted in a fair and transparent manner in terms of clause (ix) sub rule (3) of Rule 20 of the Companies (Management and Administration) Rules 2014. I am well versed with the concept of e-voting system as required under the aforesaid rules as also the SEBI Circular issued in this regard dated 17th April 2014.

The Company has appointed Karvy Computer Share Private Limited its Registrar and Transfer agents as the service provider for extending the facility of e-voting to the shareholders of the Company. The service provider had provided a system for recording the votes cast by the shareholders electronically on all the five items of business (ordinary and special) sought to be transacted in the 23rd Annual General Meeting held on Monday the 28th September 2015. The service provider has set up the e-voting facility on their web site [https:// evoting.karvy.com](https://evoting.karvy.com) . The Company has uploaded all the items of business to be transacted on their web site and also the service provider facilitating the shareholders to cast their votes by e-voting.

The service provider has sent the notices of the AGM on 3rd September 2015 to the demat shareholders whose e-mail addresses are provided by the Depositories and are available and also to the shareholders holding shares in physical form by courier. The notice sent by e-mail and in physical form was containing the detailed procedure as to casting of votes by the shareholders as provided in Rule 20 of the Companies (Management and Administration) Rules 2014. The e-voting facility was kept open for seven days commencing from 10.00 A.M on 21st September 2015 and ending at 05.00 P.M on 27th September 2015.



In terms of the requirement of clause (v) of sub rule 3 of Rule 20 of the Companies (Management and Administration) Rules 2014 the Company has released news paper advertisements carrying the information as required under clause (v) (a) to (g) of sub rule 3 of Rule 20

At the end of the voting period on 27th September 2015 at 05.00 P.M the voting portal of the service provider was blocked. On 28th September 2015 the votes cast through e-voting was duly unblocked by me in presence of two witnesses who are not in the employment of the Company as required under clause 3(xi) of Rule 20.

The signature of the witnesses in confirmation of the unblocking of votes in their presence is taken below.

1. Witness

Name: Ravinithata Vikram

Signature: [Signature]

2. Witness

Name: G. Vasudeva Rao

Signature: [Signature]

There after the details containing the list of shareholders who voted "for" or "against" were downloaded from the e-voting web site and the report of e-voting was compiled, the details of which are as under.

E-VOTING DETAILS

Number of shareholders participated in e-voting : 26
Aggregate Number of votes of participating members: 2690058

E-VOTING RESULT

Resolution No1 (Ordinary Resolution): Passed with requisite majority

Subject matter. Adoption of Audited Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2015.

	No of members voted through e- voting	No of votes cast by them	% of total number of valid votes cast
Voted in favor of	20	2030331	75.48
Voted against	6	659727	24.52
Total	26	2690058	100
Invalid Votes	0	0	0



Resolution No 2 (Ordinary Resolution): Passed with requisite majority

Subject matter: Re-Appointment of Jyoti Raju as Director

	No of members voted through e- voting	No of votes cast by them	% of total number of valid votes cast
Voted in favor of	20	2030331	75.48
Voted against	6	659727	24.52
Total	26	2690058	100
Invalid Votes	0	0	0

Resolution No 3 (Ordinary Resolution): Passed with requisite majority

Subject matter: Re-Appointment of Raju Narasa Mantena as Director

	No of members voted through e- voting	No of votes cast by them	% of total number of valid votes cast
Voted in favor of	20	2030331	75.48
Voted against	6	659727	24.52
Total	26	2690058	100
Invalid Votes	0	0	0

Resolution No 4 (Ordinary Resolution): Passed with requisite majority

Subject matter: Re-Appointment of M/s GMK Associates as Statutory Auditors of the Company.

	No of members voted through e- voting	No of votes cast by them	% of total number of valid votes cast
Voted in favor of	20	2030331	75.48
Voted against	6	659727	24.52
Total	26	2690058	100
Invalid Votes	0	0	0



Resolution No 5 (Special Resolution): NOT Passed by requisite majority

Subject matter: Re-Appointment of Col L.V.Raju as Managing Director.

	No of members voted through e- voting	No of votes cast by them	% of total number of valid votes cast
Voted in favor of	19	1805331	73.24
Voted against	6	659727	26.76
Total	25	2465058	100
Invalid Votes	1	225000	

Resolution No 1,2,3,4 stand passed with the requisite majority under the e-voting

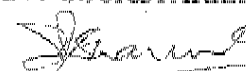
Resolution No 5: Not passed with requisite majority under e-voting

The Registers and other relevant records and documents relating to the electronic voting shall remain in our custody until the chairman considers, approves and signs the minutes of the Annual General Meeting and thereafter will be handed over to the Company.

Thanking You,
Yours faithfully

Place: Hyderabad
Date: 29th September 2015

For A.J.SHARMA & ASSOCIATES
COMPANY SECRETARIES


A.J.SHARMA
FCS-2120, CP-2176