KERNEX MICROSYSTEMS (INDIA) LTD.

(An ISO 9001 : 2008 Certified Company)

CIN : L30007TG1991PLC013211

Tel : +91 90300 17501
+91 90300 17502
e-mail : kernex@kernex.in
website : www.kernex.in

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

KMIL/SE/2018-19/102

05th September'18

The Corporate Relations Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	**The Corporate Relations 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: Notice of 26th Annual General Meeting (AGM) and Annual Report of the Company for the F Y 2017–18

With reference to the subject cited above, Please find the enclosed Notice convening the 26th AGM of the Company to be held on Friday, 28th September 2018 at 11.00 A.M at the registered office of the Company situated at Plot No. 38 (part) to 4, Survey no 1/1, Hardware Park, Kancha Imarat, Raviryal Village, Maheswaram Mandal, Hyderabad-501 510 and the Annual Report for the financial year 2017-18.

In order to comply with the requirements of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the financial year 2017–18 will be filed with the Stock Exchanges after it is adopted by the shareholders of the Company at the 26th AGM to be held on 28th September, 2018.

This is for your information and necessary records.

For **Kernex Microsystems (India) Limited**

K Prasada Rao
Company Secretary & Compliance Officer

Kernex Microsystems (India) Ltd. Hyd.

Encl: As above

NOTICE

Notice is hereby given that the twenty sixth Annual General Meeting of the members of the Company will be held on Friday, the 28th September 2018 at 11.00 A.M at the Registered office at Plot No 38 (part) to 41, Survey No 1/1, Hardware Park, Raviryal Village, Maheswaram Mandal, Ranga Reddy District, Hyderabad-501 510 to transact the following business.

ORDINARY BUSINESS

1. 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.
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.
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.

SPECIAL BUSINESS

4. **To consider and approve Appointment of Mr. Manthena Badari Narayana Raju (DIN: 07993925) 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 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 upto 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, not liable to retire by rotation.".

5. **To consider and approve Appointment of Mr. Manthena Badari Narayana Raju (DIN: 07993925) as a Whole Time 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 in pursuance of the recommendations of the Nomination and Remuneration Committee of the Company and pursuant to Sections 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 anything 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.

6. **To consider and approve the appointment of Ms. Sree Lakshmi Manthena (DIN: 07996443) as a Director**

To consider and if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution.

"**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 upto 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.

7. **To consider and approve appointment of Mr. T.V.S.N. Raju (DIN: 02254926) as an Independent 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 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 in writing 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 as 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.

8. **To consider and approve appointment of Mr. Ashok Gopal Rao Kalmankar (DIN: 01557687) as an Independent Director of the Company**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Special Resolution:

"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 in writing 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 as 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."

By order of the Board

for KERNEX MICROSYSTEMS (INDIA) LIMITED

Manthena Badari Narayana Raju
Whole Time Director
DIN: 07993925

Palce : Hyderabad
Date : 12th August, 2018

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 to 8 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, M/s. 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 22nd September, 2018 to 28th September, 2018 (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 2017-18 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/Depositaries, 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 all working days up to the date of AGM.

9. Pursuant to provisions of the Act and other applicable rules, if any, of the Companies Act 2013, all unclaimed & remaining unclaimed / unpaid dividend 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 2010-11 declared by the Company can be claimed by the shareholders from IEPF.

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:

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.

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.

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 /FIIs /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, 25th September, 2018 at 09:00 a.m. and ends on Thursday, 27th September, 2018 5.00 p.m. (both days inclusive). Please note that e- voting mode shall not be allowed beyond 5.00 p.m. on Thursday, 27th September, 2018. 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, 21st September, 2018, 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, 21st September, 2018, 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 i.e. Friday, 21st September, 2018.
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 two (2) 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. Anji Raju Manthena	Dr. Vinta Janardhana Reddy
Date of Birth	October 13, 1944	August 10, 1946
Date of Appointment	May 20, 2005	September 20, 2008
Qualifications	M.S. (General Surgery) from Andhra University and M.D. (USA)	MBBS and MD (USA)
Expertise in specific Functional area	M.S. (General Surgery) from Andhra University and M.D. (USA) He has been practicing for the last 41 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 44 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.
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	4,14,078	1,99,655

Particulars	**Mr. Badari Narayana Raju Manthena**	**Ms. Sree Lakshmi Manthena**
Date of Birth	August 01, 1954	September 14,1977
Date of Appointment	November 20, 2017	November 20,2017
Qualifications	Bachelor Degree in Commerce from Andhra University	HOUSTON BAPTIST UNIVERSITY, (Houston, TX) Magna Cum Laude, Bachelors Degree with Triple Major in Biology, Chemistry, and Psychology, Minor in Business Administration (Project Mgmt Courses). UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER -SA (Medical School, San Antonio, TX)
Expertise in specific Functional area	Mr. Badari Narayana Raju Manthena is in the employment of the company for the past 17 years at a senior level with the designation of Chief Administrative and Commercial Officer and is looking after the General and Personnel Administration, Liaison with all Government Agencies and Compliances with Service Tax, Sales Tax, VAT, Excise, PF,ESI, etc., .	Business Development Manager with 5+years of experience in Marketing, Strategy planning, Project procurement, Project coordination, Consulting.
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	Nil	6,40,398

Particulars	**Mr. CA TVSN Raju**	**Mr. Ashok Gopal Rao Kalmankar**
Date of Birth	May 27, 1956	February 02, 1946
Date of Appointment	February 10, 2018	August'12, 2018
Qualifications	Bachelor of Commerce, Andhra Loyola College, Vijayawada Chartered Accountant, Institute of Chartered Accountants of India, New Delhi, Post Graduate Diploma in computer Applications, AP Productivity Council, Visakhapatnam, Master of Business Administration, Andhra University, Visakhapatnam	B.A.(Hons.), C.A.I.I.B, Sr. Diploma in German (OU), Certificate in Risk Management (NYU)
Expertise in specific Functional area	Budget and Cost Management, Treasury Management, Tax Management and compliance with statutory laws/regulations, Project Finance Management, Materials (Procurement & Sales) Finance Management, Formulation of Accounting Policies; compliance with Accounting Standards (including Ind-AS)	In Various positions in State Bank of India over 38 years. Banking & Finance (Domestic & Global) Working as Freelancer Financial & Banking Consultant.
Directorship held in other public companies (excluding foreign companies)	Mounika Projects P Ltd, SNE Edatas P Ltd, Konaseema Properties P Ltd, Vinirrmaa Energy Generation P Ltd & Konaseema Renewable Energy P Ltd	Shaasta Cements Pvt. Ltd., Honnavar Port Pvt. Ltd. And Spyn Financial Service Pvt. Ltd.
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	Nil	Nil

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

Item No: 4 & 5

The Board of directors of the Company at their meeting held on 20th November 2017 appointed Mr. Badari Narayana Raju as additional director and whole time director of the Company and holds office up to the ensuing Annual General Meeting. Mr. Badari Narayana Raju is in the employment of the company for the past 17 years at a senior level with the designation of Chief Administrative and Commercial Officer and is looking after the General and Personnel Administration, Liaison with all Government Agencies and Compliances with Service Tax, Sales Tax, VAT, Excise, PF,ESI, etc., 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. Badri Narayana Raju as a Director of the Company.

The Board of directors increased his remuneration and re-appointed him as whole time director for a further period up to 31st March 2020 on the remuneration and other terms and conditions as contained in the resolution.

The following is the additional information as per Section II of Part II of Schedule V of the Companies Act, 2013:

I. General Information

1. Nature of industry:

   The company is specialized in integrating technologies related to wireless front-end, Satellite Communication, Embedded systems, Signal Processing, Network management and Software development.

2. Date or expected date of commercial production:

   The company was incorporated in the year 1991 and the commercial production commenced simultaneously.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: **Not Applicable**

4. Financial performance based on given indicators:.

Particulars	Financial Year 2017-18	Financial Year 2016-17
Total Revenue	1,402.41	1,414.94
Net Profit / Loss Before Tax (PBT)	(1,498.70)	(134.06)
Net Profit (PAT)	(1,442.29)	(390.772)

5. Foreign investments or collaborations, if any. Nil

(II) Information about the appointee

1. Back ground details: Mr. Manthena Badri Narayana Raju is in the employment of the company for the past 17 years at a senior level with the designation of Chief Administrative and Commercial Officer and is looking after the General and Personnel Administration, Liaison with all Government Agencies and Compliances with Service Tax, Sales Tax, VAT, Excise, PF, ESI, etc.,
2. Past Remuneration: Rs.1,00,000/- Per month
3. Recognition or awards: Nil
4. Job profile and his suitability: Mr. Badri Narayana Raju is in the employment of the company for the past 17 years at a senior level with the designation of Chief Administrative and Commercial Officer and is looking after the General and Personnel Administration, Liaison with all Government Agencies and Compliances with Service Tax, Sales Tax, VAT, Excise, PF,ESI, etc.,
5. Remuneration proposed:Rs.1,50,000/- per month
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Nil
7. Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any: Not applicable.

III. Other information:

1. Reasons of loss or inadequate profits:-

   The increase in expenditure towards Research and Development and the fixed overheads also contributed for such inadequate profits.

   Further, the rise of the domestic interest rates has also adversely impacted the net profits of the company.

2. Steps taken or proposed to be taken for improvement:-

   The operations of the company are being scaled up to increase revenues.

3. Expected increase in productivity and profits in measurable terms:-

   We expect a substantial increase in approval and implementation of various government projects leading to good improvement in operating margins.

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

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

Item No: 6

In terms of Section 149(1) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Board of Directors has appointed Ms. Sree Lakshmi Manthena as an additional director of the Company. Her term of office expires at the forthcoming Annual General Meeting. A notice has been received from a shareholder of the Company under section 160 of the Companies Act, 2013 along with the requisite deposit, proposing her candidature for the office of Director to hold office up to the ensuing Annual General Meeting.

Ms. Sree Lakshmi Manthena holds a Bachelor Degree from Houston Baptist University, (Houston, TX, USA) and qualified in Minor in Business Administration (Project Mgmt Courses). From University of Texas Health Science center, San Antonio, Texas,USA. She also has over 5 years experience in Marketing, Strategic planning, Project Procurement, coordination and consulting.

None of the Directors / Key Managerial Personnel or their relatives is concerned or interested in the resolution except Dr. Anji Raju Manthena, Promoter Director.

Your Board recommends the resolution for your approval.

Item No. 7:

The Board of Directors have appointed Mr. T V S N Raju, (DIN: 02254926) as an Additional Director of the Company with effect from 10th February, 2018. His term of office expires at the forthcoming Annual General Meeting. A notice has been received from a shareholder of the Company under section 160 of the Companies Act, 2013 along with the requisite deposit, proposing his candidature for the office of Director.

Mr. T.V.S.N.Raju is a member of the Institute of Chartered Accountants of India, New Delhi, and also holds a Post Graduate Diploma in computer Applications, AP Productivity Council, Visakhapatnam, besides Master of Business Administration, Andhra University, Visakhapatnam.

Mr. T.V.S.N.Raju has several years of experience in Budget and Cost Management, Treasury Management, Tax Management, Project Finance Management, Materials (Procurement & Sales) Finance Management, Formulation of Accounting Policies; compliance with Accounting Standards (including Ind-AS).

As per the provisions of section 149 of the Companies Act, 2013 (“Act”) an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. T.V.S.N.Raju has given a declaration to the Board that he meets the criteria of independence as provided under section 149 (6) of the Act. The matter regarding appointment of Mr. T.V.S.N.Raju as an Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director up to 31st March, 2020.

In the opinion of the Board, Mr. T.V.S.N.Raju fulfills the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. T.V.S.N.Raju as an Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mr. T.V.S.N.Raju is interested and concerned in the Resolution and no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution.

The Board recommends the resolution for your approval.

Item No: 8

The Board of Directors appointed Mr. Ashok Gopal Rao Kalmankar, (DIN: 01557687) as an Additional Director of the Company with effect from 12th August, 2018. His term of office expires at the forthcoming Annual General Meeting. A notice has been received from a shareholder of the Company under section 160 of the Companies Act, 2013 along with the requisite deposit, proposing his candidature for the office of Director.

Mr. Ashok Gopal Rao Kalmankar is a member of the Institute of Chartered Accountants of India, and also holds a Sr. Diploma in German (OU), Certificate in Risk Management (NYU)

Mr. Ashok Gopal Rao Kalmankar has several years of experience in Indian Banking. Head of Mid – sized Bank i.e. State Bank of Hyderabad as Managing Director, Exposure of International Markets – worked in State Bank of India, New York for 4 ½ years and also worked as Deputy Managing Director and Group Head of State Bank of India`s International Operations and Headed State Bank of India Foreign Subsidiaries, Exposure and Experience in Credit Appraisal/Project Appraisal during assignment in the State Bank of India`s Foreign Subsidiaries and Board Level Experience in Banking as well as in Factoring, Investment Banking, PD in Government Securities, Mutual Funds and Insurance.

As per the provisions of section 149 of the Companies Act, 2013 (“Act”) an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company and is not liable to retire by rotation.

Mr. Ashok Gopal Rao Kalmankar has given a declaration to the Board that he meets the criteria of independence as provided under section 149 (6) of the Act. The matter regarding appointment of Mr. Ashok Gopal Rao Kalmankar as an Independent Director was placed before the Nomination and Remuneration Committee, which commends his appointment as an Independent Director up to 31st March, 2023.

In the opinion of the Board, Mr. Ashok Gopal Rao Kalmankar fulfills the conditions specified in the Act and the Rules made thereunder for appointment as an Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of Mr. Ashok Gopal Rao Kalmankar as an Independent Director is now being placed before the Members in general meeting for their approval.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Mr. Ashok Gopal Rao Kalmankar is interested and concerned in the Resolution and no other Director, key managerial personnel or their respective relatives are concerned or interested in the Resolution.

The Board recommends the resolution for your approval.

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

Manthena Badari Narayana Raju
Whole Time Director
DIN: 07993925

Palce : Hyderabad
Date : 12th August, 2018