

**SECRETARIAL COMPLIANCE REPORT**

I, **D.S. Rao, Practicing Company Secretary** have examined:

- (a) All the documents and records made available to us and explanation provided by **Kernex Microsystems (India) Limited** ("the listed entity"),
- (b) The filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) Any other document/ filing, as may be relevant, which has been relied upon to make this report,

for the financial year ended 31st March, 2025 ("Review Period") in respect of compliance with the provisions of:

- (a) The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (b) The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include: -

- (a) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) SEBI (Buyback of Securities) Regulations, 2018; - *Not Applicable to the listed entity for the audit period.*
- (f) SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021; - *Not Applicable to the listed entity for the audit period.*
- (g) SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (h) The Depositories Act, 1996
- (i) SEBI (Depositories and Participants) Regulations, 2018.

and based on the above examination, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	1	2
Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	<i>Submission of Quarterly Consolidated Financial Results for the quarter ended 31st December 2023 to stock exchanges in terms of Reg. 33 of SEBI (LODR) Regulations.</i>	<i>Submission of Quarterly Financial Results for the Quarter & Year Ended 31st March 2024 to stock exchanges in terms of Reg. 33 of SEBI (LODR) Regulations.</i>
Regulation/ Circular No.	<i>Reg. 33 of LODR</i>	<i>Reg. 33 of LODR</i>
Deviations	<i>Non-Submission of Consolidated Financial Results for the Quarter ended 31.12.2023 within the stipulated time.</i>	<i>Non-Submission of Financial Results for the Quarter & Year Ended 31st March 2024 within the stipulated time.</i>
Action Taken by	<i>BSE Ltd and National Stock Exchange of India Ltd.</i>	<i>BSE Ltd and National Stock Exchange of India Ltd.</i>

Type of Action	<i>Imposed a fine of Rs. 6,25,400/- by each stock exchange.</i>	<i>Imposed a fine of Rs. 2,59,600/- by each stock exchange.</i>
Details of Violation	<i>The Company has not submitted the Un-audited Consolidated Financial Results for the quarter ended 31.12.2023 until 30th May 2024.</i>	<i>The Company has not submitted the audited Financial Results for the Quarter & Year Ended 31st March 2024 until 13th July 2024.</i>
Fine Amount	<i>Rs. 6,25,400/- each by BSE Ltd and National Stock Exchange of India Ltd. Shareholding of the Promoters was also freezed until fine is paid.</i>	<i>Rs. 2,59,600/- each by BSE Ltd and National Stock Exchange of India Ltd. Shareholding of the Promoters was also freezed until fine is paid.</i>
Observations/ Remarks of the Practicing Company Secretary	<i>Consolidated Financial Results for the quarter ended 31st December, 2023 have been submitted on 30th May, 2024. Therefore, the deviation continued until 30th May, 2024.</i>	<i>Financial Results for the Quarter & Year Ended 31st March 2024 have been submitted on 13th July, 2024. Therefore, the deviation continued until 13th July, 2024</i>
Management Response	<i>Delay occurred due to some clarifications sought by the Board of Directors on the draft consolidated financial results submitted by the management to the Board</i>	<i>Delay occurred due to some clarifications sought by the Board of Directors on the draft Standalone and Consolidated financial results submitted by the management to the Board.</i>
Remarks	<i>Stock exchanges levied fine for delay and the same has been paid.</i>	<i>Stock exchanges levied fine for delay and the same has been paid.</i>

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	1
Observations/ Remarks of the Practicing Company Secretary (PCS) in the previous reports))	<i>Non-Submission of Consolidated Financial Results for the Quarter ended 31st December'2023.</i>
Observations made in the Secretarial Compliance report for the year ended 2025	<i>Consolidated Financial Results for the quarter ended 31st December, 2023 have been submitted on 30th May, 2024. Therefore, the deviation continued until 30th May, 2024.</i>
Compliance Requirement (Regulations/circulars/guidelines including specific clause)	<i>Submission of Quarterly Consolidated Financial Results for the quarter ended December 2023 to stock exchanges in terms of Reg. 33 of SEBI (LODR) Regulations.</i>
Details of violation /Deviations and actions taken /penalty imposed, if any, on the listed entity	<i>BSE and NSE levied fine for non-submission of consolidated financial results for the quarter December 2023.</i>
Remedial actions, if any, taken by the listed entity	<i>The Company has submitted the Consolidated Financial Results from 30th May 2024. BSE Limited and National Stock Exchange Limited (NSE) levied Fine up to 30th May, 2024 of Rs. 2,59,600/- (Including GST) Each which were duly paid by the management</i>
Comments of the PCS on the Actions taken by the listed entity	<i>Stock exchanges levied fine for delay and the same has been paid.</i>

I. We hereby report that, during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance status (Yes/No/ NA)	Observations/ Remarks by PCS*
1.	<p>Secretarial Standards:</p> <p>The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries of India (ICSI).</p>	YES	NIL
2.	<p>Adoption and timely updation of the Policies:</p> <ul style="list-style-type: none"> • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/ circulars/ guidelines issued by SEBI. 	YES YES	NIL NIL
3.	<p>Maintenance and disclosures on Website:</p> <ul style="list-style-type: none"> • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website. 	YES YES YES	NIL NIL NIL
4.	<p>Disqualification of Director:</p> <p>None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.</p>	YES	NIL
5.	<p>Details related to Subsidiaries of listed entities have been examined w.r.t.:</p> <p>(a) Identification of material subsidiary companies.</p> <p>(b) Disclosure requirement of material as well as other subsidiaries.</p>	YES YES	NIL NIL

6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	NIL
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	YES	NIL
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit Committee, in case no prior approval has been obtained.	YES YES	NIL NIL
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	NIL
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	NIL
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	YES	As mentioned above
12.	Resignation of statutory auditors from the listed entity or its material subsidiaries: In case of resignation of statutory auditor from the listed entity or any of its	YES	P R S V & Co. LLP, Chartered Accountants (ICAI Registration No. S200016), have tendered their resignation vide

	material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.		their letter dated 4th September 2024. The Company has duly complied with paragraph 6.1 and 6.2 of Section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.
13.	Additional non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NA	NIL

We further, report that the listed entity is in compliance with the disclosure requirements of Employee Benefit Scheme Documents in terms of regulation 46(2) (za) of the LODR Regulations.

Note:

1. *In terms of Circular vide No. Cir/ISD/3/2011 dated 17th June, 2011 and Reg. 31 (2) of the SEBI (LODR) Regulations, the Company has not achieved 100% of Promoters' and Promoters Group's shareholding in dematerialized form.*
2. *One of the Non-executive Director of the Company, Mr. Janardhan Reddy Vinta has executed a contra trade within six months in contravention of the Code of Conduct of the Company. He has not made any profit thereon to disgorge. However, he has been levied a penalty of Rs.15,000 and asked him to deposit the same to SEBI-IPE1 by the Company for contravention of the Code of Conduct.*

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

DATE: May 27, 2025

PLACE: HYDERABAD

CS D.S.RAO, PCS
C.P. NO. 14487
UDIN: A012394G000453351
PEER REVIEW CER. NO. 1817/2022