



CS Dhanya Paul M.Com, FCS

CS Vivek Kumar M.Com,LL.B, FCS

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Stelis Biopharma Limited (Formerly Stelis Biopharma Private Limited)  
CIN: U74140KA2007PLC043095  
Star 1, Opp IIM Bangalore Bilekahalli,  
Bannerghatta Road Bangalore South  
Karnataka 560076

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Stelis Biopharma Limited (Formerly Stelis Biopharma Private Limited) (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023, according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;



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(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The laws, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the company as the company is an unlisted Public Company.

We have also examined compliance with the applicable Secretarial Standards with regard to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI);

We have not examined compliance by the company with respect to:

a) Applicable financial laws, like direct and indirect tax laws, maintenance of financial records, etc., since the same have been subject to review by statutory (financial) auditors, tax auditors and other designated professionals.

b) As informed by the company the Industry specific laws/general laws as applicable to the company has been complied with. The management has also represented and confirmed that all the laws, rules, regulations, orders, standards and guidelines as are specifically applicable to the Company relating to Industry/Labour etc., have been complied with.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.



We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has:

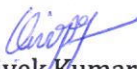
- i. vide Mortgage by deposit of title deeds by constructive delivery dated 22<sup>nd</sup> June, 2022 has modified charge ID 100467234 to create additional security on said charge;
- ii. convened shareholders meeting on 15<sup>th</sup> September, 2022 and altered Articles of Association of the Company;
- iii. convened shareholders meeting on 26<sup>th</sup> October, 2022 and passed special resolution for Preferential Allotment of Equity Shares on Private Placement Basis;
- iv. allotted 12,25,115 (Twelve lakh twenty five thousand one hundred and fifteen) equity shares of Rs. 1.00 (Rupee one only) each at a premium of Rs. 652.00 (Rupees six hundred and fifty two only) per share on 02<sup>nd</sup> November, 2022;
- v. allotted 566,000 (Five lakh sixty six thousand) equity shares of Rs. 1.00 (Rupee one only) each at a premium of Rs. 652.00 (Rupees six hundred and fifty two only) per share on 26<sup>th</sup> December, 2022;
- vi. convened Board meeting on 20<sup>th</sup> January, 2023 and passed resolution for ratification of incorporation of wholly owned subsidiary in UK and approval of investment in the subsidiary, Incorporation of wholly owned subsidiary in USA and Investment in Biolexis Pte Ltd;
- vii. convened Board meeting on 20<sup>th</sup> January, 2023 and passed resolution for shifting registered office address within the local limits of Bangalore City;
- viii. convened Board meeting on 23<sup>rd</sup> January, 2023 and passed resolution for issue of up to 80,000 (Eighty Thousand) Unsecured Non-Convertible Debentures with nominal value of INR 10,000 (Rupees Ten Thousand) each on a private placement basis;
- ix. allotted 50,000 (Fifty thousand) Unsecured non-convertible Debentures of Rs. 10,000.00 (Rupee ten thousand only) each at par on 14<sup>th</sup> February, 2023;
- x. allotted 551,915 (Five lakh fifty one thousand nine hundred and fifteen) equity shares of Rs. 1.00 (Rupee one only) each at a premium of Rs. 652.00 (Rupees six hundred and fifty two only) per share on 06<sup>th</sup> March, 2023;
- xi. vide (i) Mortgage By Deposit of Title Deeds - Constructive Delivery dated June 30, 2022 executed between IDBI Trusteeship Services Limited ("Security Trustee") and Stelis Biopharma Limited ("Company") ("MOE"); (ii) Deed Of Hypothecation dated March 30, 2022 executed between Company and Security Trustee ("DOH"); (iii)



Declaration dated June 30, 2022 executed between Company and Security Trustee ("Declaration") has modified charge ID 100552504 to create additional security on said charge;

We further report that, during the audit period there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs in pursuance of the above referred laws, rules etc.

For DV & Associates  
Company Secretaries

  
CS Vivek Kumar

Partner

M. No. F9353, CoP: 11036

Peer Review Certificate no. 2876/2023



UDIN: F009353E000364323

Place: Ernakulam

Date: 24<sup>th</sup> May, 2023

## Annexure to Secretarial Audit

To,  
The Members,  
Stelis Biopharma Limited (Formerly Stelis Biopharma Private Limited)  
CIN: U74140KA2007PLC043095  
Star 1, Opp IIM Bangalore Bilekahalli,  
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Karnataka 560076

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company like, Income Tax, GST, Customs, etc.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management in terms of Section 134 (5) (f) of the Companies Act, 2013. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. The audit was conducted based on the verification of the Company's books, papers, minutes books, forms and returns filed, documents and other records furnished by them or obtained from the Company electronically and also the information provided by the company and its officers by online and/or offline means.

For DV & Associates  
Company Secretaries

  
CS Vivék Kumar  
Partner



M. No. F9353, CoP: 11036  
Peer Review Certificate no. 2876/2023

UDIN: F009353E000364323

Place: Ernakulam  
Date: 24<sup>th</sup> May, 2023