

## Notice of Extra-Ordinary General Meeting

NOTICE is hereby given that an Extraordinary General Meeting (EGM) of the Shareholders of the Company will be held at a shorter notice on Wednesday, August 25, 2021 from 19:30 hours IST at Bengaluru, India through Video Conference.

### Special Business

#### Item 1: Amendment to the Articles of Association of the Company

*To consider and, if thought fit, to pass the following resolution as a Special Resolution:*

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013, read along with the Companies (Incorporation) Rules, 2014 and any other applicable Rules framed thereunder (including any statutory modifications, amendments thereto or re-enactment(s) thereof, rules, guidelines, if any, for the time being in force) (together hereinafter referred to as “Act”), and subject to such other approval, as may be required, consent of the Members of the Company be and is hereby accorded to alter the Articles of Association of the Company as under:

***a) Article 9.2.1 to be read as under:***

9.2.1. Unless otherwise determined by the Company in general meeting, the number of directors (excluding alternate directors) shall not be more than 15 (fifteen) comprising inter-alia the following:

***b) Insertion of Article 9.5 – 9.5.1 to 9.5.6 after the existing Article 9.4.4:***

**9.5 Nominee Director:**

9.5.1 Notwithstanding anything to the contrary contained in these Articles, any financing company or body or a financing corporation or credit corporation or a bank or any insurance corporation (each such financing company or body of financing corporation or credit corporation or any insurance corporation is hereinafter referred to as “Financial Institution”) shall at their discretion, be eligible to appoint, remove or replace from time to time, any person as director on the Board while any loan/ financial assistance is outstanding (the “Nominee Director”).

9.5.2 The Nominee Director shall not be required to hold qualification shares nor be liable to retire by rotation. The Nominee Director may be appointed as members of the committees of the Board, if so desired by the Financial Institution.

9.5.3 The Nominee Director shall be entitled to receive all notices, agenda and any other information and to attend all general meetings and board meetings and meetings of any committees of the Board, if so appointed.

### Stelis Biopharma Limited

(formerly Stelis Biopharma Private Limited)

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Jigani Industrial Area, Anekal Taluk, Bengaluru – 560 015, India  
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CIN: U74140KA2007PLC043095

- 9.5.4 The Nominee Director shall be entitled to furnish to the Financial Institutions reports of the proceedings of all such meetings and the Company shall not have any objection to the same.
- 9.5.5 The Nominee Director shall be entitled to all the rights and privileges of other non-executive directors of the Board and the sitting fees, and expenses as payable to other directors on the Board and any other fees, commission, monies or remuneration in any form payable to the non-executive directors, the fees, commission, monies and remuneration in relation to such Nominee Director shall accrue to the appointing Financial Institution and the same shall accordingly be paid by the Company directly to the Financial Institution.
- 9.5.6 All expenditure incurred by the Financial Institution or the Nominee Director or both in connection with their appointment of directorship shall be borne and payable by the Company.

***b) Replacement of existing Article 34 as under:***

**34. Common Seal**

The Company shall not have a Common Seal.

**RESOLVED FURTHER THAT** the Amended Articles of Association, as placed before the Members be and is hereby approved and adopted as the Articles of Association of the Company.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby severally authorized, on behalf of the Company, to do all such acts, matters, deeds and things as may be necessary and incidental to give effect to this resolution.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to sign a copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned.”

**Item 2: Authorization to the Board of Directors of the Company to create mortgage/ charge/ hypothecate assets of the Company pursuant to section 180 (1) (a) of the Companies Act, 2013**

***To consider and, if thought fit, to pass the following resolution as a Special Resolution:***

**“RESOLVED THAT** pursuant to Section 180 (1) (a) and any other applicable provisions of the Companies Act, 2013, (‘the Act’) and the Rules made thereunder including any statutory modification or re-enactment thereof for the time being in force, consent of the Members of the Company be and is hereby accorded for creation by the Board of Directors on behalf of the Company of such mortgages/ charges/ hypothecation and floating charges, in addition to the existing mortgages/ charges / hypothecation created by the Company in favor of the lenders, in such form and in such manner as may be agreed to between the Board of Directors and the Lenders, on all or any of the present and future immovable and/ or movable assets of the Company, wherever situated, of every nature and kind whatsoever to secure any Indian Rupee or Foreign Currency Loans, Debentures, Advances and all other moneys payable by the Company to the Lenders concerned, subject however, to the limit as available with the Company to borrow money where the money to be borrowed, together with the money already borrowed by the Company shall not exceed aggregate of the paid-up share capital, free reserves and securities premium of the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) together with interest thereon, additional interest, liquidated damages, commitment charges, premia on pre-payment or on redemption, costs, charges, expenses and all other money’s payable by the Company in respect of said loans together with the power to take-over the management and concern of the Company in certain events, which is subject to approval of the Board of Directors of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/ or its duly constituted Committee be and are hereby authorised to finalise, settle and execute such documents/ deeds/ writings/ papers/ agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/ charges as aforesaid.

**RESOLVED FURTHER THAT** any Director of the Company be and is hereby authorized to sign a copy of this resolution as a certified true copy thereof and furnish the same to whomsoever concerned.”

### **Item 3: Appointment of Ms. Vineeta Rai as an Independent Director of the Company**

*To consider and if thought fit, to pass the following Resolution as a Special Resolution:*

**“RESOLVED THAT** Ms. Vineeta Rai (DIN 07013113) who was appointed as an Additional Director of the Company by the Board of Directors with effect from July 23, 2021 pursuant to Section 161 of the Companies Act, 2013 (‘the Act’) and the Rules framed thereunder, who holds office up to the date of this General Meeting, be and is hereby appointed as a Director of the Company effective from July 23, 2021.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Act read with Rules framed thereunder (including any statutory modification(s) or re-enactment thereof ) as amended from time to time and pursuant to the Articles of Association of the Company, consent of the Members be and is hereby accorded to appoint Ms. Vineeta Rai as an Independent Director of the Company for a period of 5 years effective from July 23, 2021, not liable to retire by rotation.

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**RESOLVED FURTHER THAT** any Director of the Company be and are hereby severally authorized to do all such acts, deeds, matters, things and sign and file all such papers, documents, forms and writings as may be necessary and incidental to the aforesaid resolution.”

**Date: August 13, 2021**  
**Place: Bengaluru**

**On behalf of the Board of Directors of**  
**Stelis Biopharma Limited**

**SD/-**

**P R Kannan**  
**Executive Director & CFO**  
**DIN: 03435209**

## NOTES

1. Corporate Members intending to appoint authorized representatives to attend the EGM are requested to send to the Company, a certified copy of the Board Resolution or Power of Attorney, if any, authorizing their representative(s) to attend and vote, on their behalf, at the EGM.
2. The Explanatory Statement pursuant to Section 102 of the Act read with applicable Rules thereto annexed hereto and form part of this notice.
3. The Meeting is convened at a shorter notice under the provisions of the Section 101 of the Companies Act, 2013
4. Members are requested to intimate the change in their address registered with the Company.
5. The details for holding EGM via videoconferencing is as under:

***Meeting ID:***

<https://strides.zoom.us/j/92149567959?pwd=Y0tmSXpZWVQvRWx4eFcxQ2hoVTByZz09>

Meeting ID: 921 4956 7959

Password: 855659

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**EXPLANATORY STATEMENT – PURSUANT TO SECTION 102 OF THE  
COMPANIES ACT, 2013 READ WITH RULES MADE THERETO**

In conformity with the provisions of Section 102(1) of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying Notice of the Extraordinary General Meeting of the shareholders of the Company scheduled on Wednesday, August 25, 2021 from 19:30 hours IST at a shorter notice and should be taken as forming part of the Notice.

**Item 1: Amendment to the Articles of Association of the Company**

**a) Composition of Board of Directors**

Members are apprised that Stelis intends to expand its composition of Board Members. However, Article 9.2.1 restricts the maximum composition of board members to 10 (Ten).

Therefore, it is proposed to amend the existing Article 9.2.1 of Stelis, to increase the maximum composition of board members to 15 (Fifteen) as detailed in the resolution.

**b) Provision for appointment of Nominee Director**

Members are apprised that Stelis is in the process of availing a term loan facility of INR 5,500 Million from IndusInd Bank Limited, Bengaluru, India (Lender) to part finance its vaccine project.

As part of the facility documentation, Lender proposes to appoint a Nominee Director on the Board of Stelis on their behalf in the event of any default by Stelis.

To enable the above requirement, it is proposed to amend the existing Articles of Stelis, by inserting Article 9.5 as detailed in the resolution.

**c) Removal of Common Seal provision from the Articles**

Members are apprised that as per the provisions of Companies Act, 2013, common seal is to be affixed on certain documents (such as a bill of exchange, share certificates, etc.) With amendments to the Act, the common seal is no more mandatory and has been made optional.

Consequently, several sections of Companies Act, 2013 dealing with common seal have been amended to incorporate the above requirement.

It is therefore proposed that Stelis also adapts this option and let go of the Common Seal requirement in its Articles of Association for administrative convenience.

Approval of the members is sought to adopt the amended Articles of Association of the Company after incorporating the provisions for removal of Common Seal as detailed in the resolution.

Board is of the opinion that this proposal will not have any adverse impact on the business of the Company and accordingly recommends passing of the proposed resolution stated in Item 1 as a Special Resolution and request your approval for the same.

None of the Promoters, Directors or their relatives are in any way, concerned or interested, financial or otherwise, in the resolution except and to the extent of their shareholding as Member of the Company, if any.

**Item 2: Authorization to the Board of Directors of the Company to create mortgage/ charge / hypothecate assets of the Company pursuant to section 180 (1) (a) of the Companies Act, 2013**

**About the provisions**

The borrowings by a Company, in general, is required to be secured by mortgage and/ or charge on all or any of the movable and/ or immovable properties of the Company in such form, manner and ranking as may be negotiated by Company and the Lenders.

Such mortgage/ charge to secure borrowings of the Company also comes with a power to the charge holders to take over the management of the business and concern of the Company in certain events of default. According to the provisions of Section 180 (1) (a), this may be regarded as disposal of the Company's undertaking and therefore mandates shareholder approval for such mortgage/ charge.

**Applicability to Stelis**

The provisions of this section is applicable to Stelis subsequent to its conversion into a Public Limited Company effective July 31, 2021.

**Borrowing Limits for this purpose**

In line with the provisions of Section 180 (1) (c) the Act, the Company can borrow upto an aggregate amount of the paid-up capital, free reserves and securities premium of the Company, together with the money already borrowed by the company with Board approval. The said limits however excludes temporary loans obtained by the Company in the ordinary course of business.

*Temporary loans for this purpose would mean loans repayable on demand or loans repayable within six months from the date of loan. However, 'temporary loans' does not include loans raised for financing capital expenditure.*

**Limits available with the Company as at July 31, 2021 is as under:**

Borrowings exceeding the said limits would require prior Members' approval by way of Special Resolution under Section 180 (1) (c).

Management believes that borrowings of the Company shall not exceed such prescribed limit. Therefore, the Company is not seeking additional limits under Section 180 (1) (c).

### **Approval process**

Provisions of Section 180 (1) (a) of the Companies Act, 2013 read with Rules made thereunder, requires that consent of the Members of the Company be accorded as a Special Resolution.

Accordingly, approval under the Section shall be sought for:

- 1) Ratifying the charges which is already created by the Company for its existing borrowing; and
- 2) Creating charge for the future borrowings of the Company.

Board is of the opinion that this proposal shall not have any adverse impact on the business of the Company and accordingly recommends passing of the proposed resolution stated in Item 2 as Special Resolution and request your approval for the same.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

### **Item 3: Appointment of Ms. Vineeta Rai as Independent Director of the Company**

Members are apprised that Ms. Vineeta Rai was appointed as an Independent Director of the Company effective July 23, 2021, subject to approval of the Members of the Company.

Vineeta has also been appointed as the Chairperson of the Audit Committee and Member of the Nomination & Remuneration Committee.

#### **About Ms. Vineeta Rai**

Ms. Vineeta Rai, aged 77 years, is a former IAS Officer and Revenue Secretary in the Government of India.

Vineeta holds a B.A. (Hons) degree in History from Delhi University, B.A. (American History and Politics) from Brandeis University, USA and a visiting Fellow in Public Administration at Queen Elizabeth House, Oxford University. She was voted as one of the 25 Most Powerful Women in business in India in 2004.

Vineeta has extensive experience in Public Administration, particularly in the fields of Health Administration and Finance with work experience in the Ministry of Health and Family Welfare, Government of India which interalia included Drugs and Prevention of Food Adulteration and as Secretary Banking, Insurance and Revenue in the Ministry of Finance, Government of India.

She has also served as a Director on the boards of several Banks and Insurance Companies and is currently on the Board of Indraprastha Medical Corporation Limited (part of Apollo Hospitals) as an Independent Director.

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Members are further apprised that her active involvement in various sectors, specifically health sector during her stint as IAS Officer, her extensive experience and expertise would immensely benefit the Company.

Board strongly desires to avail the services of Ms. Vineeta Rai as an Independent Director of the Company and accordingly recommends passing of the proposed resolution stated in Item 3 as a Special Resolution and request your approval for the same.

None of the Directors or their relatives are in any way, concerned or interested, financial or otherwise, in the resolution except and to the extent of their shareholding as Member of the Company, if any.

**Date: August 13, 2021**  
**Place: Bengaluru**

**For and on behalf of the Board of Directors**  
**of Stelis Biopharma Limited**

**SD/-**

**P R Kannan**  
**Executive Director & CFO**  
**DIN: 03435209**