

**NOTICE OF EGM TO BE HELD THROUGH VIDEO CONFERENCE**

Notice is hereby given that an Extraordinary General meeting of HLL Lifecare Limited will be convened and held through Video Conference on 26<sup>th</sup> May, 2020 at 3.00 p.m in compliance with the applicable provisions of the Companies Act, 2013 read with the Ministry of Corporate Affairs General Circular No. 14/2020 and 17/2020 dated 8<sup>th</sup> April 2020 and 13<sup>th</sup> April 2020 respectively to transact the following special business:

**SPECIAL BUSINESS:**

PROPOSAL TO PROVIDE TEMPORARY LOAN TO HLL BIOTECH LTD.

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

**Special Resolution:**

RESOLVED THAT subject to the provisions of Sec. 179, Sec. 180, Sec. 185 & Sec. 186 of the Companies Act, 2013 read with rules made thereunder, and such other provisions, as may be applicable, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the 'Board'), which term shall be deemed to include, unless the context otherwise, any Committee of the Board or any Director or Officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution), to make loan(s) to M/s. HLL Biotech Ltd. in their absolute discretion deem beneficial and in the interest of the Company, in excess of 60% of the paid-up share capital, free reserves and securities premium of the Company or 100% of free reserves and securities premium of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013, from time to time, in one or more tranches, up to (i) maximum amount of INR 35 Cr. (Rupees Thirty Five Crores only), if the investments / acquisitions, loans, guarantee, securities to be provided along with the Company's existing investments, loans, guarantee or securities are in excess of the limits prescribed under Section 186 aforesaid or (ii) the maximum limits so prescribed under Section 186 (as may be amended from time to time), whichever is higher."

Place: Thiruvananthapuram  
Date: 21<sup>st</sup> May, 2020

By order of the Board of Directors  
for HLL Lifecare Limited



Company Secretary



**Note:**

1. Pursuant to Section 102 of the Companies Act, 2013, the Explanatory Statement setting out material facts and reasons for the proposed Special Business forms part of this Notice.

**General Information to the Members regarding the framework provided in the Ministry of Corporate Affairs General Circular No. 14/2020 and 17/2020 dated 8<sup>th</sup> April 2020 and 13<sup>th</sup> April, 2020 with respect to holding EGM through Video Conference**

Considering the present circumstances caused by the pandemic COVID 19 and in order to avoid gathering of persons in common places, the Ministry of Corporate Affairs vide its General Circular No.14/2020 and 17/2020 dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 has allowed the Companies to conduct Extraordinary General Meetings [EGM] through Video Conferencing or Other Audio-Visual Means. Accordingly, this EGM is held through video conference mode. In order to provide better clarity and understanding to the Members, the framework provided by the MCA in the relevant Circulars is summarized below.

1. This EGM convened through video conference is in compliance with the applicable provisions of the Companies Act, 2013 read with the Ministry of Corporate Affairs General Circular No. 14/2020 and 17/2020 dated 8<sup>th</sup> April 2020 and 13<sup>th</sup> April, 2020 respectively.
2. A Member can attend the EGM through Video Conference facility arranged by the Company. All care has been taken by the Company to ensure that the video conference facility arranged by the Company allows two-way teleconferencing for the easy participation of all the Members. The Members are allowed to ask questions concurrently or shall submit the questions in advance at the email address of the Company Secretary.
3. The facility for joining the meeting will be kept open for 15 minutes before the scheduled time to start the meeting and will be closed only after the expiry of 15 minutes after such scheduled time.
4. As per the aforementioned MCA General Circulars, the requirement of quorum for a general meeting in pursuance of 103 of Companies Act, 2013 has been extended for general meeting held through video conference also. Therefore, the Members attending EGM through video conference will be counted for the quorum of the meeting.

5. With regard to the manner of appointment of Chairman for the meeting, the relevant MCA circular stipulates that either it shall be based on the provisions of Articles of Association of the Company or in the manner as provided in the Circular. As per the Articles of Association of your Company, the Chairman of the Board of Directors shall be entitled to take chair at every general meeting. Accordingly, the Chairman of the Board will be the Chairman for this EGM.
6. The Independent Director of the Company and the auditor or his authorized representative will attend the EGM through video conference.
7. Pursuant to Section 105 of the Companies Act, 2013 a member is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in a general meeting. However, this EGM is convened through the video conference in compliance with the aforementioned General Circulars issued by MCA. As per the relevant MCA General Circulars if a general meeting is held through video conference, the facility of appointment of proxies by members is not available. Hence, appointment of proxies is not allowed for this EGM.
8. In pursuance of section 112 and section 113 of the Companies Act, 2013 representatives of the Members shall be appointed for the purpose of participation and voting in the meeting through video conference.
9. As the total number of members in your Company falls below 50, the Chairman may decide to conduct a vote by show of hands, unless a demand for poll is made by any member. If a poll is required to be taken during the meeting on any resolution, the members may convey their vote at the Email i.d of the Company Secretary at [jaikrishnanar@lifecarehll.com](mailto:jaikrishnanar@lifecarehll.com).
10. Pursuant to the provisions of Rule 18 of the Companies (Management and Administration) Rules 2014 and in compliance with the Ministry of Corporate Affairs General Circular No14/222020 dated 8<sup>th</sup> April 2020 and Circular No 17/2020 dated 13<sup>th</sup> April 2020 this notice shall be delivered to the members only through the email i.d. registered with the company.
11. The notice of this EGM will be only served through E-Mail address of all Members.
12. A copy of the notice shall also be posted on the website of the company.
13. For any assistance, a member may contact the Company Secretary (Mobile No. 9846387789, Email i.d. [jaikrishnanar@lifecarehll.com](mailto:jaikrishnanar@lifecarehll.com)) during business hours. Upon request of members, the inspection of statutory register can be made available through electronic mode.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Background

Based on the approval granted by the Cabinet Committee on Economic Affairs [CCEA], HLL Biotech Ltd. [HBL] is establishing and implementing Integrated Vaccine Complex project (IVC) for manufacturing various vaccines required for Universal Immunization Program of the Government of India. The total project cost approved by the CCEA for the project is INR 594.00 Cr, which includes INR 274.88 Cr. as Govt. equity, INR 10.12 Cr towards the land value and INR 309.00 Cr as term loan. The equity received from the Ministry of Health & Family Welfare, Government of India has been completely utilized for the project, and the term loans received from SBI and HDFC Bank have also been completely utilized by December 2019. The project got delayed on account of time and cost overrun, and presently the project is put on hold. Consequently, a proposal for operationalization and revised cost estimate for INR 879.02 Cr. was submitted to the Ministry of Health and Family Welfare [MoHFW] and the same is under process by various authorities in the Government of India.

In order to meet essential expenses and survive till the time revised DPR of INR 879.02 Cr. submitted to the MoHFW is cleared by the Government of India and funds are released or any other alternative is found by the MoHFW to revive HBL, based on the request of HBL, the Board of Directors of HLL (Parent Company of HBL) had granted temporary loan up to INR 12.00 Cr. in October 2019. HBL has remitted interest for the term loan of SBI and HDFC till the month of November 2019 and had extended the SCOD up to 31.12.2019. Further, in order to avoid HBL loan accounts turning into NPA and to extend SCOD document up to 31.12.2021 based on request of HBL, HLL has provided additional funding of INR 2.75 Cr.

Additionally, in the 272<sup>nd</sup> Board meeting of HLL held on 19<sup>th</sup> March 2020, the Board approved the proposal to provide temporary loan of INR 23.00 Cr. to HBL as mentioned below towards payment of interest to SBI & HDFC loans for running and maintenance of facility, including certain critical payments, subject to approval by CMD of HLL, in each and every case. The Board also approved the proposal to convene an Extraordinary General Meeting [EGM] to obtain approval of shareholders for the proposal to give temporary loan to HBL, from the propriety point of view though it is not a regulatory requirement.



Loan amount	Up to (i) maximum amount of INR 35 Cr. (Rupees Thirty Five Crores only), if the investments / acquisitions, loans, guarantee, securities to be provided along with the Company's existing investments, loans, guarantee or securities are in excess of the limits prescribed under Section 186 aforesaid or (ii) the maximum limits so prescribed under Section 186 (as may be amended from time to time), whichever is higher.
Interest payable	Interest rate linked to maximum interest rate applicable to Cash Credit facility availed by HLL (Presently 8.85%)
Schedule of repayment of principal and interest	Repayable either on demand or within a maximum period of six months. However, if HBL receives additional funding from the Government based on the Revised Cost Estimates HBL will have to immediately repay the temporary loan together with interest immediately thereafter.
Interest payment schedule	Interest payable in monthly rests
Security	N.A. (Unsecured Loan)
Purpose of loan	To pay monthly interest of approx. INR 2.75 Cr. payable to SBI & HDFC [INR 13.75Cr.] and meeting of operational expenses [INR 7.07 Cr.]

The Board of Directors at the 272<sup>nd</sup> Board meeting held on 19<sup>th</sup> March, 2020 considered and approved the proposal to provide temporary loan to HBL subject to the approval of the Members.

The Board of Directors accordingly recommends the resolution for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relative is concerned or interested, financially or otherwise, in the above referred resolution.

**To All Shareholders**

**To All Directors**

**To Auditor**

