

**BEFORE THE MINISTRY OF CORPORATE AFFAIRS,**

**COMPANY SCHEME APPLICATION REFERENCE NO.24/3/2019-CL-III.**

**In the matter of companies Act, 2013 (18 of 2013);**

**AND**

**In the matter of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed there under as in force from time to time;**

**AND**

**In the matter of Scheme of Arrangement of HLL Lifecare Limited, [HLL] The First Applicant (Demerged Company)**

**AND**

**HLL Biotech Limited,[HBL] The Second Applicant (Resulting Company)**

**AND**

**Their Respective Shareholders;**

**HLL Lifecare Limited**, a Company incorporated under the Companies Act, 1956 bearing CIN: U25193KL1966GOI002621 and having its registered office at HLL Bhavan, Mahilamandiram Road, Poojappura, Thiruvananthapuram Kerala 695012

..... First Applicant Company (Demerged Company)

**FORM NO. CAA. 2**

**[Pursuant to Section 230(3) of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]**

**NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF HLL LIFECARE LIMITED / FIRST APPLICANT / DEMERGED COMPANY CONVENED BASED ON THE DIRECTION OF THE MINISTRY OF CORPORATE AFFAIRS PURSUANT TO THE ORDER DATED 04<sup>TH</sup> JUNE, 2020 AND 20<sup>TH</sup> JULY, 2020 BY THE MINISTRY OF CORPORATE AFFAIRS, GOVERNMENT OF INDIA**

To,

The Unsecured Creditors of **HLL Lifecare Limited**

**(“The Company” or “First Applicant Company / Demerged Company”)**

Notice is hereby given that pursuant to orders dated the 04<sup>th</sup> day of June 2020 and 20<sup>th</sup> July, 2020, passed in Company Application vide order No. 24/03/2019-CL-III by the Ministry of Corporate Affairs, Government of India, has inter-alia directed that a meeting to be held of “Unsecured creditors” of the company for the purpose of considering, and if thought fit, for approving with or without modification(s) the Scheme of Arrangement of HLL Lifecare Limited, (First Applicant Company and /or the Demerged Company) and HLL Biotech Limited, (Second Applicant Company and / or Resulting Company) and their Respective Shareholders.

In pursuance of the said orders and as directed therein notice is hereby given that a meeting of “Unsecured creditors” of the said company will be held through Video Conference (VC) on **Wednesday the 26<sup>th</sup> day of August, 2020 at 10.00 A.M** and all unsecured creditors whose debt is Rs. 10 Lakh or above as on 31.03.2020 are requested to attend and vote.

A copy of the Scheme of Arrangement, Explanatory Statement under section 102 read with sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and details & information as required under Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, are forming part of this notice.

The Ministry of Corporate Affairs, Government of India has appointed Dr. Mandeep Kumar Bhandari IAS, Joint Secretary in the Ministry of Health & Family Welfare, Government of India being the administrative in – charge of the applicant Companies as the chairperson for convening the said meeting.

The above mentioned Scheme of Arrangement, if approved by the meeting, will be subject to the subsequent approval of the Ministry of Corporate Affairs, Government of India.

To transact the Special Business mentioned below, this notice is given for consideration of the resolution mentioned below to be passed at such Ministry of Corporate Affairs Convened Meeting/hearing and Section 108 of the Companies Act, 2013 read with the relevant rules.

The Board of Directors of the Company had at the meeting held on 20<sup>th</sup> February, 2019 approved the Scheme, subject to approval by the requisite majority of the shareholders of the Company and creditors of the Company, as may be required, and subject to the sanction of the Ministry of Corporate Affairs, Government of India and of such other authorities as may be necessary.

To consider and, if thought fit, approve with or without modification(s) the following Resolution under Sections 230(3) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company for approval of the proposed Scheme of

Arrangement embodied in the Scheme of Arrangement of HLL Lifecare Limited, (First Applicant Company and /or the Demerged Company) and HLL Biotech Limited, (Second Applicant Company/ Resulting Company) and their Respective Shareholders. (“Scheme”) by passing the following Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 230 to 232 read with Section 66 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 including any statutory modifications, amendments, re-enactments thereof for the time being in force, the applicable provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objections, confirmations, permissions from the Ministry of Corporate Affairs, Government of India or such other competent authority as may be applicable, and the confirmation, permission, sanction and approval of the other statutory / regulatory authorities, if any, in this regard and subject to such other conditions or guidelines, if any, as may be prescribed or stipulated by any such authorities, from time to time, while granting such approvals, sanctions, consents, observations, no objections, confirmations, permissions and which may be agreed by the Board of Directors of the Company, the draft “Scheme of Arrangement of HLL Lifecare Limited, (First Applicant Company and /or the Demerged Company) and HLL Biotech Limited, (Second Applicant Company/ Resulting Company) and their Respective Shareholders.”(“Scheme”), providing for arrangement of the First Applicant Company with the Second Applicant Company on a going concern basis with effect from 01.04.2019 (First Day of April, Two Thousand and Nineteen) being the appointed date, as placed before the meeting and initialed by the chairman for the purpose of identification , be and is hereby approved with or without modification(s) by requisite majority and for conditions, if any, which may be required and/or imposed and/or permitted by the Ministry of Corporate Affairs while sanctioning the Scheme and/or by any Government Authority”.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized, empowered and directed to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to aforesaid resolution and to effectively implement the arrangements embodied in the Scheme and to accept such modifications , amendments, limitations and/or conditions, if any which may be required and/or imposed by the Ministry of Corporate Affairs, Government of India, while sanctioning the Scheme of Arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as may be deemed fit and proper”.

Sd/-  
Dr. Mandeep Kumar Bhandari IAS  
Chairperson

Date: 25.07.2020

Place: Trivandrum

## **NOTES**

*1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this Class Meeting. However, the Body Corporates are entitled to appoint authorized representatives to attend the unsecured creditors meeting through VC and participate thereat and cast their votes through e-voting.*

*2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is to be a pre-requisite and pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, physical attendance of the Unsecured Creditors to the Class Meeting venue is not required. Hence, Unsecured Creditors have to attend and participate in the ensuing Class Meeting through VC.*

*3. The Unsecured Creditors can join the Class Meeting in the VC mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The attendance of the participants attending the class through VC will be counted for the purpose of*

*reckoning the quorum. Those unsecured creditors, who will be present in the meeting through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the meeting.*

*4.Explanatory Statement of material facts for the proposed Resolution pursuant to Section 102 read with Section 110 and Section 108 of the Companies Act, 2013 along with applicable rules thereunder and provisions of Section 230 of the Companies Act, 2013 setting out material facts forms part of this Notice .*

*5. The Notice is being sent to all the Unsecured Creditors whose outstanding debt is Rs. 10 lakh or above as on March 31, 2020.*

*6. Voting rights shall be in proportion to the outstanding amount due to them by the Company.*

*7. Quorum for the meeting of the Unsecured Creditors of the Applicant Companies would be one- third of the share in terms of value, present in person through VC*

*8.The Scheme shall be considered approved by the Unsecured Creditors of the First Applicant Company if the resolution mentioned above in the notice has been approved at the Meeting by a majority of persons representing three-fourth in value of the Unsecured Creditors in terms of Sections 230 to 232 of the Act.*

*9. Unsecured Creditors are also requested to carefully read the instructions printed in this notice before exercising their vote.*

*10. After casting the vote, the vote cannot be changed subsequently.*

*11. The chairperson of the meeting shall, within 3 days after the conclusion of the meeting submit the report to the Ministry of Corporate Affairs on the result of the meeting.*

*12.All relevant documents referred to in the accompanying Explanatory Statement are open for inspection at the registered office of the Company on all working days (except on Saturdays, Sundays and Public holidays) between 2:00P.M. to 5.00 P.M. up to 2 (two) days prior to the date of meeting.*

*13. The Scrutinizer for the said meeting shall be Mr. Sam Varghese, Practicing Chartered Accountant (ICAI Membership No. 216979), Partner, K Varghese & Co., Chartered Accountants as independent scrutinizer for scrutinizing the voting and e-voting process in a fair and transparent manner.*

*14. Since the meeting will be held through VC, the Route Map is not annexed in this Notice.*

*15. The detailed instruction for Unsecured Creditors meeting through VC and e-voting facility provided are annexed to this notice.*

*16. Mr. Jaikrishnan A R, Company Secretary, HLL Lifecare Limited , [ Email Id : [jaikrishnanar@lifecarehll.com](mailto:jaikrishnanar@lifecarehll.com), Phone No. +91 9846387789] will be the point of contact for grievances redressal in the matter of e-voting facility arranged.*

**BEFORE THE MINISTRY OF CORPORATE AFFAIRS,**

**COMPANY SCHEME APPLICATION REFERENCE NO 24/3/2019-CL-III.**

**In the matter of companies Act, 2013 (18 of 2013);**

**AND**

**In the matter of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules framed there under as in force from time to time;**

**AND**

**In the matter of Scheme of Arrangement of HLL Lifecare Limited, [HLL] The First Applicant (Demerged Company)**

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**AND**

**Their Respective Shareholders;**

**HLL Lifecare Limited**, a Company incorporated under the Companies Act, 1956 bearing CIN: U25193KL1966GOI002621 and having its registered office at HLL Bhavan, Mahilamandiram Road, Poojappura, Thiruvananthapuram Kerala 695012

..... First Applicant Company (Demerged Company)



**EXPLANATORY STATEMENT UNDER SECTION 102, READ WITH SECTIONS 230 TO 232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND DETAILS & INFORMATION AS REQUIRED UNDER RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

- I. A Scheme of Arrangement of HLL Lifecare Limited, (First Applicant Company and /or the Demerged Company) and HLL Biotech Limited, (Second Applicant Company / Resulting Company) and their Respective Shareholders.”(“Scheme”) proposed is based on the Cabinet Committee on Economic Affairs (CCEA) decision for hiving off the Vaccine Business Undertaking as a separate Special Purpose Vehicle in its meeting held on 1st November 2017. For the purpose of Arrangement of First Applicant Company with the Second Applicant Company on a going concern basis with effect from 01.04.2019 (First Day of April, Two Thousand and Nineteen) being the appointed date.
  
- II. The said Scheme of Arrangement is based on the Cabinet Committee on Economic Affairs (CCEA) decision mentioned above at the meeting held on 1<sup>st</sup> November 2017 under the provisions of Sections 230 to 232 and all other applicable provisions of Companies Act, 2013. The Ministry of Health & Family Welfare [MoHFW], Government of India vide its letter F.No.A-45013/44/2017 – HPE has directed to formulate the Scheme after taking into consideration the in principle approval of Cabinet Committee on Economic Affairs (CCEA) for hiving off the Vaccine Business Undertaking as a separate Special Purpose Vehicle and the certificate issued by the statutory auditor of the Company to the effect that the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. A copy of the Scheme is attached to this notice and forms part of this statement as **ANNEXURE A**.

- III. Accordingly, a Company Application was filed before the Ministry of Corporate Affairs, Government of India , by the First Applicant Company & Second Applicant inter-alia seeking directions for (i) dispensation of the meeting of the equity shareholders of First Applicant Company & Second Applicant Company; (ii) dispensation of the requirement of convening the meeting of the Secured Creditor of First Applicant Company & Second Applicant Company; (iii) dispensation of the requirement of convening the meeting of the Unsecured Creditor of First Applicant Company & Second Applicant Company.
- IV. The Company Application was admitted by the Ministry of Corporate Affairs, Government of India and pursuant to the Order No. 24/3/2019-CL-III dated 04<sup>th</sup> June 2020, passed by the Ministry of Corporate Affairs, Government of India (i) the Meeting of the Equity Shareholders of the First Applicant Company and the Second Applicant Company has been dispensed with; (ii) the Meeting of the Secured Creditor of First Applicant Company and the Second Applicant Company has been dispensed with; (iii) the Meeting of the Unsecured Creditor of First Applicant Company & Second Applicant Company has been ordered to be held.
- V. Accordingly, as ordered by the Ministry of Corporate Affairs, Government of India, vide Order dated 04<sup>th</sup> day, of June 2020 and 20<sup>th</sup> July, 2020, a meeting of the Unsecured Creditors of the First Applicant Company will be held for the purpose of considering, and, if thought fit, approving with or without modification(s) the scheme of Arrangement of HLL Lifecare Limited, (First Applicant Company and /or the Demerged Company) and HLL Biotech Limited, (Second Applicant Company) and their Respective Shareholders.”(“Scheme”) on Wednesday, the 26<sup>th</sup> day of August, 2020 at 10.00 A.M through Video Conferencing mode (VC)
- VI. Further the Ministry of Corporate Affairs, Government of India, pursuant to the Order dated 04<sup>th</sup> day, of June 2020, was pleased to appoint Dr. Mandeep Kumar

Bhandari IAS, Joint Secretary in the Ministry of Health & Family Welfare,  
Government of India as the Chairperson of the said meeting.

## VII. Details of the Companies

### FIRST APPLICANT COMPANY

Sl No	Category	Particulars
1	CIN	U25193KL1966GOI002621
2	Permanent account Number	AAACH5598K
3	Name of the Company	HLL Lifecare Limited
4	Date of Incorporation	01 <sup>st</sup> day of March, 1966
5	Type of Company	Union Government Company limited by Shares
6	Registered Office of the company and email ID	HLL Bhavan Mahilamandiram Road, Poojappura, Thiruvananthapuram Kerala 695012 e-mail id : <a href="mailto:jaikrishnanar@lifecarehll.com">jaikrishnanar@lifecarehll.com</a>
7	Main Objects of the Company as per the Memorandum of Association and Main Business Carried on by the Company	To carry on the business of manufacturers of and dealers in all types and descriptions of prophylactic, contraceptive and medical appliances, by whatever name known.  <b><u>Main Business Carried on by the Company</u></b> The First Applicant Company is engaged in manufacturing and marketing of a range of contraceptive and FMCG products, Hospital products, Pharmaceuticals products, Retail Pharmacy business besides providing Consultancy & Contract services for Healthcare infrastructure, procurement and also providing diagnostic services.
8	Details of change of name, registered office and	<b>NAME CHANGE: Not Applicable</b>  <b>REGISTERED OFFICE CHANGE: Not Applicable</b>

	objects of the Company during the last five years	<b>OBJECTS CHANGE: Not Applicable</b>														
9	Name of stock exchanges (s) where securities of the company are listed, if applicable	<b>Not Applicable</b>														
10	Details of the capital structure of the company	<table border="1"> <tr> <td><b>Authorized share capital</b></td> <td>Amount</td> </tr> <tr> <td>30,00,00,000 equity shares of Rs. 10 each</td> <td>Rs. 3,00,00,00,000</td> </tr> <tr> <td><b>Issued, Subscribed and paid up capital</b></td> <td></td> </tr> <tr> <td>29,04,15,000 equity shares of Rs 10 each, fully paid</td> <td>Rs. 2,90,41,50,000</td> </tr> </table>			<b>Authorized share capital</b>	Amount	30,00,00,000 equity shares of Rs. 10 each	Rs. 3,00,00,00,000	<b>Issued, Subscribed and paid up capital</b>		29,04,15,000 equity shares of Rs 10 each, fully paid	Rs. 2,90,41,50,000				
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29,04,15,000 equity shares of Rs 10 each, fully paid	Rs. 2,90,41,50,000															
11	Name of the promoter and director along with their address	<p>The Company is promoted by Government of India and under the administrative control of Ministry of Health &amp; Family Welfare, Nirman Bhavan, New Delhi- 110011</p> <table border="1"> <thead> <tr> <th>Sl No</th> <th>Name of Director/ Promoter</th> <th>Address</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Shri K Beji George IRTS DIN: 08419099</td> <td>HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala</td> </tr> <tr> <td>2</td> <td>Dr Dharmendra Singh Gangwar IAS DIN: 08299862</td> <td>Ministry of Health &amp; Family Welfare, NirmanBhavan, New Delhi – 110011</td> </tr> <tr> <td>3</td> <td>Dr Mandeep Kumar Bhandari IAS</td> <td>Ministry of Health &amp; Family Welfare, NirmanBhavan, New Delhi</td> </tr> </tbody> </table>			Sl No	Name of Director/ Promoter	Address	1	Shri K Beji George IRTS DIN: 08419099	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala	2	Dr Dharmendra Singh Gangwar IAS DIN: 08299862	Ministry of Health & Family Welfare, NirmanBhavan, New Delhi – 110011	3	Dr Mandeep Kumar Bhandari IAS	Ministry of Health & Family Welfare, NirmanBhavan, New Delhi
Sl No	Name of Director/ Promoter	Address														
1	Shri K Beji George IRTS DIN: 08419099	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala														
2	Dr Dharmendra Singh Gangwar IAS DIN: 08299862	Ministry of Health & Family Welfare, NirmanBhavan, New Delhi – 110011														
3	Dr Mandeep Kumar Bhandari IAS	Ministry of Health & Family Welfare, NirmanBhavan, New Delhi														

			DIN: 07310347	- 110011
		4	Shri E A Subramanian DIN: 06818313	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala
		5	Shri T Rajasekar DIN: 07808705	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala
		6	Dr Geeta Sharma DIN: 08225251	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala
		7	Shri Vijaychander Reddy Pesaru DIN : 01494347	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala
12	If the scheme of compromise or arrangement relates to more than one company, the fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate companies	The Resulting Company/ Second Applicant Company is Wholly owned Subsidiary of the First Applicant Company / Demerged Company		
13	The date of the Board meeting	The Board of Directors approved the Scheme of Arrangement on 20 <sup>th</sup> February 2019. All the Directors		

	<p>at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote/participate on such resolution;</p>	<p>present in the meeting as stated below have voted in favor of the resolution.</p> <ol style="list-style-type: none"> <li>1. Shri Arun Singhal IAS – Chairman &amp; Managing Director</li> <li>2. Dr R K Vats IAS – Government Nominee Director</li> <li>3. Ms Preeti Pant – Government Nominee Director</li> <li>4. Shri E A Subramanian – Whole time Director</li> <li>5. Shri T Rajasekar – Whole time Director</li> <li>6. Dr Geeta Sharma – Whole time Director</li> </ol>			
14	<p>The Register of members of the First Applicant Company showing the latest list of the equity shareholders of the First Applicant Company is as follows</p>	<p><b>SL NO</b></p>	<p><b>NAME</b></p>	<p><b>NO OF SHARES</b></p>	<p><b>PERCENTAGE</b></p>
		1.	The President of India	29,04,14,400	99.999793%
		2	Ms. Preeti Sudan IAS, Secretary, MoHFW	100	0.001667%
		3	Dr. Dharmendra S Gangwar IAS, Additional Secretary & Financial Advisor, MoHFW	100	0.001667%
		4	Dr. Mandeep Kumar Bhandari IAS, Joint Secretary, MoHFW	100	0.0016674%
		5.	Shri E A	100	0.001667%

			Subramanian Director (Technical & Operations) HLL Lifecare Limited		
		6.	Shri T Rajasekar Director (Marketing) HLL Lifecare Limited	100	0.001667%
		7.	Dr Geeta Sharma Director (Finance) HLL Lifecare Limited	100	0.001667%
			Total	29,04,15,000	100%
		<p><i>HLL Lifecare Limited is wholly owned by Government of India. The above mentioned individuals are holding shares in their Ex-officio capacity.</i></p>			

## SECOND APPLICANT COMPANY

SI No	Category	Particulars
1	CIN	U24290KL2012GOI030732
2	Permanent account Number	AACCH8828A
3	Name of the Company	HLL BIOTECH LIMITED

4	Date of Incorporation	12 <sup>th</sup> Day of March 2012		
5	Type of Company	Union Government Company limited by Shares		
6	Registered Office of the company and email ID	HLL Bhavan Mahilamandiram Road, Poojappura, Thiruvananthapuram, Kerala - 695012. e-mail id : <a href="mailto:ramanathanct@hllbiotech.com">ramanathanct@hllbiotech.com</a> or <a href="mailto:jaikrishnanar@lifecarehll.com">jaikrishnanar@lifecarehll.com</a>		
7	Main Objects of the Company as per the Memorandum of Association and Main Object carried on by the Company	<p>To carry on the business of manufacturer and sale of all biological preparations including prophylactic and therapeutic vaccines, pharmaceutical products, preparations and services, Anti-Sera and Plasma and Hormonal Products.</p> <p><b><u>Main Business Carried on by the Company</u></b></p> <p>The Resulting Company is engaged in establishing Integrated Vaccines Complex [IVC] near Chennai for manufacturing and supply of Vaccines.</p>		
8	Details of change of name, registered office and objects of the Company during the last five years	<p><b>NAME CHANGE: Not Applicable</b></p> <p><b>REGISTERED OFFICE CHANGE: Not Applicable</b></p> <p><b>OBJECTS CHANGE: Not Applicable</b></p>		
9	Name of stock exchanges (s) where securities of the company are listed, if applicable	<b>Not Applicable</b>		
10	Details of the capital structure of the company	<b>Authorized share capital</b>	Amount	
		28,50,00,000 equity shares of Rs 10 each	RS. 2,85,00,00,000	
		<b>Issued, Subscribed</b>		



			<b>and paid up capital</b>	
			27,48,90,000 equity shares of Rs 10 each, fully paid-up	RS. 2,74,89,00,000
11	Name of the promoter and director along with their address	The Resulting Company is promoted by Government of India and under the administrative control of Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi – 110011.		
		Sl No	Name of Director/ Promoter	Address
		1	Shri K Beji George IRTS  DIN: 08419099	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala
		2	Dr Dharmendra Singh Gangwar IAS  DIN: 08299862	Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi – 110011
		3	Shri E A Subramanian  DIN: 06818313	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala
		4	Dr Geeta Sharma  DIN: 08225251	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala
12	If the scheme of compromise or arrangement relates to more than one company, the	The Second Applicant Company / the Resulting Company is Wholly Owned Subsidiary of the First Applicant Company/ the Demerged Company		

	fact and details of any relationship subsisting between such companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate companies																	
13	The date of the Board meeting at which the scheme was approved by the Board of directors including the name of the directors who voted in favour of the resolution, who voted against the resolution and who did not vote/participate on such resolution;	<p>The Board of Directors approved the Scheme of Arrangement on 20th February 2019. All the Directors present in the meeting as stated below have voted in favor of the resolution.</p> <ol style="list-style-type: none"> <li>1. Shri Arun Singhal IAS - Chairman</li> <li>2. Dr R K Vats IAS – Government Nominee Director</li> <li>3. Dr Geeta Sharma – Director</li> <li>4. Shri E A Subramanian - Director</li> </ol>																
14	The Register of members of the Second Applicant Company showing the latest list of the equity shareholders of the Second Applicant Company is as follows	<table border="1"> <thead> <tr> <th>SL NO</th> <th>NAME</th> <th>NO OF SHARES</th> <th>PERCENTAGE</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>HLL Lifecare Limited</td> <td>27,48,89,900</td> <td>99.99996%</td> </tr> <tr> <td>2</td> <td>Shri. E A Subramanian</td> <td>100</td> <td>0.00004%</td> </tr> <tr> <td></td> <td>Total</td> <td>27,48,90,000</td> <td>100%</td> </tr> </tbody> </table>	SL NO	NAME	NO OF SHARES	PERCENTAGE	1.	HLL Lifecare Limited	27,48,89,900	99.99996%	2	Shri. E A Subramanian	100	0.00004%		Total	27,48,90,000	100%
SL NO	NAME	NO OF SHARES	PERCENTAGE															
1.	HLL Lifecare Limited	27,48,89,900	99.99996%															
2	Shri. E A Subramanian	100	0.00004%															
	Total	27,48,90,000	100%															

### VIII. Details disclosing of the Scheme of Merger

SI No.	CATEGORY	PARTICULAR
1	Parties involved in such compromise or arrangement	<p>M/s HLL Lifecare Limited (First Applicant Company/ Demerged Company)</p> <p>M/s HLL Biotech Limited (Second Applicant Company and /or the Resulting Company)</p>
2	In case of amalgamation or merger, appointed date, effective date, share exchange ratio (if applicable) and other considerations, if any.	<p><b>Appointed date:</b> 01<sup>st</sup> Day of April, 2019</p> <p><b>Effective date:</b> means the later of the dates on which the certified or authenticated copies of the orders sanctioning the Scheme, passed by the Central Government is filed with the Registrar of Companies by the Demerged Company and the Resulting Company. Any references in this Scheme to the “date of coming into effect of this Scheme” or “effectiveness of the Scheme” or “Scheme taking effect” shall mean the Effective Date.</p> <p><b>Share Exchange Ratio:</b> Not Applicable</p>
3	Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any; and the declaration that the valuation reports is available for inspection	Not Applicable

	at the registered office of the company;	
4	Details of capital/ debt restructuring, if any;	As per clause 11 of the Scheme of Arrangement
5	Rationale for the compromise or arrangement	<p>The Rationale of the Scheme:</p> <p>a) As per the ‘in-principle’ approval of Government of India, the strategic disinvestment of Demerged Company will be executed by carving out the Demerged Undertaking of the Demerged Company to a separate entity. Accordingly, in order to facilitate the disinvestment the Demerger of the Demerged Undertaking is essential.</p> <p>b) The proposed Demerger would facilitate reduction of the bloated equity share capital of the Demerged Company to the extent of present equity investment by the Demerged Company in the Resulting Company.</p> <p>c) Due to cost overrun the Demerged Company is</p>

		<p>unable to fund the additional Project cost of the Demerged Undertaking. Hence, it is expected that after the Demerger, the Resulting Company could raise additional Equity Capital from the Government of India to finance the additional project cost.</p> <p>d) It is expected that Post Demerger the Resulting Company could raise additional debt finance from the Banks/financial institutions based on infusion of additional equity capital to finance the Project Cost.</p>
6	Benefits of the compromise or arrangement as perceived by the Board of directors to the company, members, creditors and others (as applicable);	<p>This arrangement is done based on the ‘in-principle’ approval given by the Cabinet Committee on Economic Affairs [CCEA], Government of India, in its meeting held on 1st November, 2017 for hiving off the Vaccine Business Undertaking as a separate Special Purpose Vehicle and thereafter sale of 100% of Government’s equity shareholding in HLL Lifecare Limited via a two-stage auction process. Hence, the Demerged Company has to necessarily hive off the Vaccine Business Undertaking to the Resulting Company.</p>
7	Amount due to unsecured & Secured creditors	<p><b>First Applicant Company:</b> There are Three Secured Creditors having aggregating outstanding amount to the extent of Rs. 41445 Lakhs in the First Applicant Company as on 31st March 2019. There are no Debenture holders or Deposit holders in the First Applicant Company as on 31st March 2019.</p> <p>There are 5434 Unsecured Creditors having aggregating outstanding amount to the extent of Rs. 93408.20 Lakhs in the First Applicant Company as on 31st March 2019 as per its books of accounts.</p>

		<p><b>Second Applicant Company:</b> There are 3 secured Creditors having aggregate outstanding amount to the extent of Rs. 2,82,58,28,000/- in the Second Applicant Company as on 31st March 2019 per its books of accounts. There are no Debenture holders or Deposit holders in the Second Applicant Company as on 31st March 2019.</p> <p>There are 136 unsecured Creditors having aggregate outstanding amount to the extent of Rs. 49, 32, 48,448.98/- in the Second Applicant Company as on 31st March 2019 per its books of accounts</p>
8	<p>Disclosure about the effect of the compromise or arrangement on the following persons belonging to the Demerged Company and Resulting Company</p> <p>(a) key managerial personnel;</p> <p>(b) directors;</p> <p>(c) promoters;</p> <p>(d) non-promoter members;</p> <p>(e) depositors;</p> <p>(f) creditors;</p> <p>(g) debenture holders;</p> <p>(h) deposit trustee and</p>	<p><b>KMP &amp; Directors:</b> The Scheme of Arrangement, if approved by the appropriate authorities, shall not have any adverse impact or effect on the Key Managerial Personnel &amp; Directors of the First Applicant Company and the Second Applicant Company.</p> <p>None of the Directors and Key Managerial Personnel of respective Companies and their respective relatives is concerned or interested, financially or otherwise in the proposed resolution except as shareholders / nominee shareholders in general.</p> <p>The Scheme do not have any material effect on the interest of Directors, KMP or their relatives.</p> <p><b>Employee :</b> On the Scheme becoming effective, all the employees of the Demerged Undertaking shall become the employees of the Resulting Company with effect from the</p>

	<p>debenture trustee; (i) employee of the company</p>	<p>Appointed Date, without any break or interruption in their services</p> <p>The proposed Arrangement in general will have beneficial results for the Companies, their shareholders, employees and all other stakeholders.</p> <p>The proposed scheme would not adversely affect the Key Managerial Personnel, Director, Promoters, non-promoter members, creditors and employees of the company.</p> <p>The Company does not have any depositors, debenture holders, deposit trustee and debenture trustee.</p>
9	<p>Investigation or proceedings, if any, pending against the company under the Act.</p>	<p>Not Applicable</p>

10	<p>Details of approvals, sanctions or no-objection(s), if any, form regulatory or any other government authorities required, received or pending for the purpose scheme of compromise or arrangement</p>	<p>There are no pending approvals, sanctions or no objections pending.</p>
11	<p><b>Inspection:</b> Details of the availability of the following documents for obtaining</p>	<p>All relevant documents referred are open for inspection at the registered office of the Company on all working days (except on Saturdays, Sundays and Public holidays) between 2:00 P.M. to 5.00 P.M. up</p>

<p>extract from or for making/obtaining copies of or for inspection by the members and creditors, namely</p> <p>a) latest audited financial statements of the company including consolidated financial statements;</p> <p>(b) copy of the order of Ministry of Corporate Affairs in pursuance of which the meeting is to be convened or has been dispensed with;</p> <p>(c) copy of scheme of compromise or arrangement;</p> <p>(d) contracts or agreements material to the compromise or arrangement;</p> <p>(e) the certificate issued by Auditor of the company to the effect that the accounting treatment</p>	<p>to 2 (two) days prior to the date of meeting.</p>
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	if any proposed in the scheme of compromise or arrangement is in conformity with the Accounting standards prescribed under section 133 of the Companies Act, 2013 and	
12	Details of approval from regulatory authorities and other government authorities	The Scheme of Arrangement requires the approval / sanction / no objection from the following the regulatory and government authorities:  a) Registrar of Companies b) Regional Director c) Income Tax

This statement may be treated as Explanatory Statement under Section 102 read with sections 230 to 232 of the Companies Act, 2013, read with relevant rules made there under

Sd/-  
Dr. Mandeep Kumar Bhandari IAS  
Chairperson

Date: 25.07.2020

Place: Trivandrum

## **INSTRUCTION FOR REMOTE E-VOTING**

**The remote e-voting period begins on Sunday the 23<sup>rd</sup> day of August, 2020 at 10:00 A.M. and ends on Tuesday the 25<sup>th</sup> day of August, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

### **How do I vote electronically using NSDL e-Voting system?**

1. Document containing user ID and password for e-voting will be shared separately to the registered email
2. Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>
3. Click on Shareholder/Member - Login.
4. When you are logging in for the first time, please enter the user ID and password provided in the attached PDF file 'Remote e-voting.pdf' as initial password.  
Note - Unsecured creditors can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
5. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both. Please take utmost care to keep your password confidential.
6. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
7. Select "EVEN" (E-Voting Event Number) of HLL LIFECARE LIMITED which is 113216. Now you are ready for e-voting as Cast Vote page opens.
8. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
9. Upon confirmation, the message "Vote cast successfully" will be displayed.
10. Once the vote on the resolution is cast, the Unsecured Creditor shall not be allowed to change it subsequently.

It is strongly recommended not to share your Password with any other person and take utmost care to keep your Password confidential. Please note that **login to e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password**. In such an event, you will need to go through "*Forgot User Details/Password?*" option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).

## **General Guidelines**

- 1 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password. Body Corporate to submit authorization letter to the Company for its representatives to participate at the meeting.

## **INSTRUCTIONS FOR UNSECURED CREDITORS FOR ATTENDING THE CLASS MEETING THROUGH VC ARE AS UNDER:**

1. Unsecured creditors will be provided with a facility to attend the meeting through VC through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC will be available in shareholder/members login where the EVEN of Company will be displayed. Facility of joining the class meeting through VC shall open 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice and will be available for unsecured creditors on first come first served basis. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

**Note :** The unsecured creditors can opt for only one mode of voting i.e. either by Remote e-voting or e-Voting facility at the time of actual meeting through video conferencing (VC). In case of receipt of vote by both the modes, voting done through remote e-Voting shall prevail and voting done by e-Voting facility provided at the time of actual meeting through video conferencing (VC) shall be treated as invalid.

2. Creditors are encouraged to join the Meeting through Laptops for better experience.
3. Further creditors will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. The Unsecured creditor who would like to express their views/have questions may send their questions in advance mentioning their name, User ID, email id, mobile number at (company email id). The same will be replied by the company suitably.

**ANNEXURE A**

**Scheme of Arrangement**

**Between**

**HLL Lifecare Limited  
(The Demerged Company)**

**And**

**HLL Biotech Limited  
(The Resulting Company)**

**And**

**Their Respective Shareholders and Creditors**

**(Under Section 230 to 232 read with Section 66 of  
the Companies Act, 2013 and other applicable  
provisions of the Companies Act, 2013)**

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## **I. PREAMBLE**

This Scheme of arrangement is presented pursuant to Sections 230 to 232 read with Section 66 of the of Companies Act, 2013 and other applicable provisions of the Act for demerger of Vaccine Business Undertaking (*hereinafter referred to as "the Demerged Undertaking"*) of HLL Lifecare Limited (*hereafter referred to as "the Demerged Company"*) vesting into HLL Biotech Limited (*hereafter referred to as "the Resulting Company"*).

## **II. DESCRIPTION OF COMPANIES**

1. HLL Lifecare Limited (**the Demerged Company**) is a *Mini Ratna* Public Limited Company incorporated under the provisions of Companies Act, 1956 and having its registered office at HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala. HLL is *inter alia* engaged in manufacturing and marketing of a range of Contraceptives and FMCG products, Hospital products, Pharmaceuticals products, Retail Pharmacy Business besides providing Consultancy & Contract services for Healthcare Infrastructure, Procurement and also providing Diagnostic Services.
2. HLL Biotech Limited (**the Resulting Company**) is a wholly owned subsidiary Company of HLL Lifecare Limited and a Private Limited Company incorporated under the provisions of Companies Act, 1956 and having its registered office at HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala for establishing Integrated Vaccines Complex [IVC] near Chennai for manufacturing and supply of Vaccines.



### **III. DETAILS OF THE COMPANIES**

#### **1. The Demerged Company**

- (a) The Corporate Identity Number: U25193KL1966GOI002621.
- (b) The Permanent Account Number: AAACH5598K.
- (c) Name of the Company: HLL Lifecare Limited (The Demerged Company).
- (d) Date of Incorporation: 1<sup>st</sup> March, 1966.
- (e) Type of Company: Union Government Company and Public Limited Company.
- (f) Registered office address: HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala.
- (g) E mail ID: jaikrishnanar@lifecarehll.com
- (h) Summary of the Main Object as per Memorandum of Association: To carry on the business of manufacturers of and dealers in all types and descriptions of prophylactic, contraceptive and medical appliances, by whatever name known.
- (i) Main Business carried on by the Company:  
The Demerged Company is engaged in manufacturing and marketing of a range of Contraceptives and FMCG products, Hospital products, Pharmaceuticals products, Retail Pharmacy Business besides providing Consultancy & Contract services for Healthcare infrastructure, Procurement and also providing Diagnostic Services.
- (j) Details of change of name, registered office and objects of the Company during last five years: Not Applicable.
- (k) Name of Stock Exchange (s) where securities of the company are listed: Not Applicable.



- (l) Details of Capital Structure of the Company: The details of share capital of the Demerged Company is given in Clause 2 of this Scheme.
- (m) Name of the Promoter: The Demerged Company is promoted by Government of India and under the administrative control of Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi - 110011
- (n) Name of Directors, DIN, designation along with address:

Sl No.	Name of Director	DIN	Designation	Address
1.	Shri Arun Singhal IAS	00238673	Chairman & Managing Director	Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi - 110011
2.	Dr R K Vats IAS	01625253	Govt. Nominee Director	Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi - 110011
3.	Ms Preeti Pant	08134305	Govt. Nominee Director	Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi - 110011
4.	Shri E A Subramanian	06818313	Functional Director	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala
5.	Shri Rajasekar T	07808705	Functional Director	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala
6.	Dr Geeta Sharma	08225251	Functional Director	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala





## 2. The Resulting Company

- (a) The Corporate Identity Number: U24290KL2012GOI030732.
- (b) The Permanent Account Number: AACCH8828A.
- (c) Name of the Company: HLL Biotech Limited (The Resulting Company).
- (d) Date of Incorporation: 12<sup>th</sup> March, 2012.
- (e) Type of Company: Union Government Company and Private Limited Company.
- (f) Registered office address: HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum – 695012, Kerala.
- (g) E mail ID: jaikrishnanar@lifecarehll.com
- (h) Summary of the Main Object as per Memorandum of Association: To carry on the business of manufacturer and sale of all biological preparations including prophylactic and therapeutic vaccines, pharmaceutical products, preparations and services, Anti-Sera and Plasma and Hormonal Products.
- (i) Main Business carried on by the Company: The Resulting Company is engaged in establishing Integrated Vaccines Complex [IVC] near Chennai for manufacturing and supply of Vaccines.
- (j) Details of change of name, registered office and objects of the Company during last five years: Not Applicable.
- (k) Name of Stock Exchange (s) where securities of the company are listed: Not Applicable.
- (l) Details of Capital Structure of the Company: The details of share capital of the Resulting Company is given in Clause 2 of this Scheme.
- (m) Name of the Promoter: The Resulting Company is promoted by Government of India and under ~~the~~ administrative control of



Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi - 110011.

(n) Name of Directors, DIN, designation along with address:

Sl No.	Name of Director	DIN	Designation	Address
1.	Shri Arun Singhal IAS	00238673	Chairman	Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi - 110011
2.	Shri E A Subramanian	06818313	HLL Nominee Director	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala
3.	Dr Geeta Sharma	08225251	HLL Nominee Director	HLL Lifecare Ltd. HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala
4.	Dr R K Vats IAS	01625253	Govt. Nominee Director	Ministry of Health & Family Welfare, Nirman Bhavan, New Delhi

#### **IV. BACKGROUND AND RATIONALE OF THE SCHEME**

The Cabinet Committee on Economic Affairs [CCEA], Government of India, in its meeting held on 1<sup>st</sup> November, 2017 has granted 'in-principle' approval for hiving off the Vaccine Business Undertaking as a separate Special Purpose Vehicle and thereafter sale of 100% of Government's equity in HLL Lifecare Limited via a two-stage auction process. Accordingly, the Demerged Company has to necessarily hive off the Vaccine Business Undertaking to the Resulting Company and hence this Scheme is proposed.

1. The management proposes to achieve the above, pursuant to Sections 230 to 232 of Companies Act, 2013 read with Section 66 of the Act and other applicable provisions of the Companies Act, 2013.



2. The rationale and the purpose of the proposed demerger is provided below:

- a) As per the 'in-principle' approval of Government of India, the strategic disinvestment of Demerged Company will be executed by carving out the Demerged Undertaking of the Demerged Company to a separate entity. Accordingly, in order to facilitate the disinvestment the Demerger of the Demerged Undertaking is essential.
- b) The proposed Demerger would facilitate reduction of the bloated equity share capital of the Demerged Company to the extent of present equity investment by the Demerged Company in the Resulting Company.
- c) Due to cost overrun the Demerged Company is unable to fund the additional Project cost of the Demerged Undertaking. Hence, it is expected that after the Demerger, the Resulting Company could raise additional Equity Capital from the Government of India to finance the additional project cost.
- d) It is expected that Post Demerger the Resulting Company could raise additional debt finance from the Banks/financial institutions based on infusion of additional equity capital to finance the Project Cost.





## THE PARTS OF THE SCHEME:

The Scheme is divided into the following parts:

1. **PART A** – Definitions and Share capital
2. **PART B** – Transfer of the Demerged Undertaking from the Demerged Company and its vesting in the Resulting Company for consideration and matters incidental thereto; and
3. **PART C** – Reduction of Capital through Cancellation of shares of the Demerged Company held by its existing shareholders
4. **PART D** – General terms and conditions that would be applicable to the Scheme



**PART A**  
**DEFINITIONS AND SHARE CAPITAL**

**1. Definitions**

In this Scheme unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

- 1.1 "Act" means the Companies Act, 2013 as in force or any statutory modification(s) or re-enactment(s) thereof from time to time;
- 1.2 "Accounting Standard" means Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and to the extent in force and other relevant provisions of the Act;
- 1.3 "Applicable Law" means any applicable statute, notifications, by-laws, rules, regulations, guidelines, rule of common law, policies, code, directives, ordinance, orders or instructions, having force of law enacted or issued by any Appropriate Authority, including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;
- 1.4 "Appropriate Authority" means any applicable Central, State or local Government, legislative body, regulatory, administrative or statutory authority, or judiciary body or authority, including, but not limited, to Ministry of Corporate Affairs and Registrar of Companies;
- 1.5 "Appointed Date" means 1<sup>st</sup> April, 2019 or such other date as approved by the Central Government;
- 1.6 "Board of Directors or "Board" means and includes the respective Board of Directors of the Resulting Company and the Demerged Company, as the context may require, and shall include any committee constituted (if any) by such Board of Directors for the purpose of this Scheme;
- 1.7 "Central Government" means the Ministry of Corporate Affairs that has been authorized under the Act for approving any scheme of arrangement, or reconstruction of the Companies under Sections 230 to 232 of the Companies Act, 2013 having jurisdiction over the Demerged Company and the Resulting Company;



- 1.8 "Effective Date" means the later of the dates on which the certified or authenticated copies of the orders sanctioning the Scheme, passed by the Central Government is filed with the Registrar of Companies by the Demerged Company and the Resulting Company. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date;
- 1.9 "Income Tax Act" means the Income Tax Act, 1961 including any re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;
- 1.10 "Remaining Undertaking" means all the undertaking, businesses, activities, and operations of the Demerged Company other than Vaccine Business;
- 1.11 "Scheme" or "the Scheme" or "this Scheme" means this scheme of arrangement in its present form or with any modification(s) approved, imposed or directed by the Central Government;
- 1.12 "The Demerged Company" means HLL Lifecare Limited [HLL] a Mini Ratna Public Limited Company incorporated under the provisions of Companies Act, 1956 having its registered office at HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala;
- 1.13 "The Resulting Company" means HLL Biotech Limited [HBL] a wholly owned subsidiary Company of HLL Lifecare Limited and a Private Limited Company incorporated under the provisions of Companies Act, 1956 and having its registered office at HLL Bhavan, Poojappura P.O Trivandrum - 695012, Kerala;
- 1.14 "The Demerged Undertaking" means the entire Vaccine Business Undertaking, activities, operations, business divisions and undertaking of Demerged Company along with all related assets, liabilities, intangible assets, employee rights, powers, licenses, statutory registrations, permissions and powers, leasehold rights,





and all its debts, outstandings, liabilities, duties and obligations as on the appointed date. For the purpose of this Scheme liabilities pertaining to the Demerged Undertaking of the Demerged Company shall include:

- (i) The liabilities, which arise out of the activities or operations of the Demerged Undertaking of the Demerged Company.
- (ii) Specific Loans and/or other financing facilities raised, incurred and/ or utilized solely for the activities or operations of the Demerged Undertaking of the Demerged Company and any Corporate Guarantee or Letter of Comfort issued with regard to such Loans / financing facilities;
- (iii) Liabilities other than those referred to in Sub-clause (i) and (ii) above, and not directly relatable to the remaining undertaking of the Demerged Company, being the amounts of general or multipurpose borrowings, if any of the Demerged Company, allocated to the Demerged Undertaking of the Demerged Company in the same proportion which the value of the assets transferred bears to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme.

1.15 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as described under the Act and other applicable laws, rules, regulations and bylaws as the case may be including statutory modifications or re-enactment thereof from time to time;



## 2. Details of Capital Structure

2.1 The share capital of the Demerged Company as on 31<sup>st</sup> January, 2019 is as under:

<b>Authorized Capital</b>	<b>Amount (₹)</b>
30,00,00,000 equity shares of ₹10/- each	3,00,00,00,000
<b>Issued, subscribed and Paid-up Capital</b>	<b>Amount (₹)</b>
29,04,15,000 equity shares of ₹10/- each	2,90,41,50,000

2.2 The share capital of the Resulting Company as on 31<sup>st</sup> January, 2019 is as under:

<b>Authorized Capital</b>	<b>Amount (₹)</b>
28,50,00,000 equity shares of ₹10/- each	285,00,00,000
<b>Issued, subscribed and Paid-up Capital</b>	<b>Amount (₹)</b>
27,48,90,000 equity shares of ₹10/- each	274,89,00,000





## PART B

### TRANSFER OF THE DEMERGED UNDERTAKING FROM THE DEMERGED COMPANY AND VESTING WITH THE RESULTING COMPANY FOR CONSIDERATION AND MATTERS INCIDENTAL THERETO

#### **3. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING**

- 3.1 With effect from the Appointed Date and upon this Scheme coming into effect, the Demerged Undertaking (including all accretions and appurtenances) shall, without any further act, instrument or deed, be and stand de-merged from the Demerged Company and transferred to and vested in or be deemed to be transferred to and vested in the Resulting Company as a going concern, all the rights, titles and interests pertaining to the Demerged Undertaking, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act (as may be applicable), Section 2(19AA) of the Income- tax Act, 1961 and the order of the Central Government sanctioning the Scheme, subject however, to subsisting charges pertaining to the Demerged Undertaking, if any.
- 3.2 Upon the Scheme coming into effect without prejudice to the provisions of Clause 3.1 above, in respect of such of the assets and properties (tangible or intangible) of the Demerged Undertaking, including cash in hand, as are movable in nature or otherwise capable of passing by manual delivery or by endorsement and delivery shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of the Resulting Company, without requiring any deed or instrument or conveyance for the same.
- 3.3 Upon the Scheme coming into effect in respect of movable assets of the Demerged Undertaking other than those specified in Clause 3.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi- Government, local and other authorities and bodies, customers and other persons, shall without any act, instrument or deed and without any approval or acknowledgment of any third party become the property of the Resulting Company.



- 3.4 Upon the Scheme coming into effect and with effect from the Appointed Date, all rights in any immovable property under any lease, agreement to use, leave or license agreement, service agreement for any premises, guest house, business centers, office properties and residential properties, forming part of the Demerged Undertaking and/or used by the Demerged Company in connection with the Demerged Undertaking, shall stand transferred to and be vested in the Resulting Company, as a successor of the Demerged Company in relation to the Demerged Undertaking, without any act or deed to be done or executed by the Demerged Company and/ or the Resulting Company. The Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay appropriate rent, rates, taxes and charges and fulfil all obligations, in relation to or applicable to all such immovable properties.
- 3.5 Upon this Scheme coming into effect, and with effect from the Appointed Date, and subject to the provisions of this Scheme, all debts, liabilities, contingent liabilities, taxes, duties and obligations of every kind, nature and description of the Demerged Company pertaining or relating to the Demerged Undertaking shall, without any further act, instrument or deed, be and stand transferred from the Demerged Company and transferred to and vested in or be deemed to be transferred to and vested in and assumed by the Resulting Company so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, taxes, duties and obligations of the Resulting Company, pursuant to Sections 230 to 232 of the Act and any other relevant provisions of the Act and the order of the Central Government sanctioning the Scheme, and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause.
- 3.6 With effect from the Appointed Date and upon this Scheme coming into effect, all permits, no objection certificates, contracts, deeds, agreements and other instruments, permissions, approvals, consents, rights, entitlements, licenses, including those relating to tenancies, copyrights, intellectual property rights, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Demerged Undertaking of which the Demerged Company is a party or



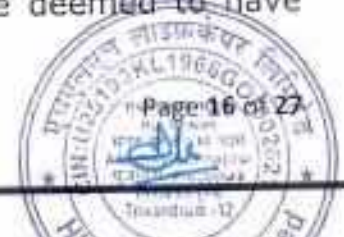


to the benefit of which the Demerged Company may be eligible and which are subsisting or having effect on the Effective Date, shall stand transferred to and vested in the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting Company upon the vesting and transfer of the Demerged Undertaking in the Resulting Company pursuant to this Scheme, and shall be and remain in full force, operative and effectual for the benefit of the Resulting Company, and may be enforced by the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been the original party or beneficiary or obligee thereto, and the Resulting Company shall be bound by the terms thereof.

3.7 In so far as assets comprised in the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings of the Demerged Company shall, without any further act or deed, be released and the Demerged Company will be discharged from the same and such assets shall no longer be available to lenders of the Remaining Undertaking of the Demerged Company as security. Upon the Scheme becoming effective, the Corporate Guarantee and / or Letter of Comfort given by the Demerged Company to the Banks/ financial institutions in respect of loans availed by the Resulting Company shall stand transferred to and vest with the Government of India to whom the Resulting Company will allot equity shares pursuant to this Demerger.

3.8 It is clarified that all assets, estate, rights, interest and authorities acquired by the Demerged Company or any liabilities accrued to the Demerged Company after the Appointed Date and until the Effective Date for operation of or in connection with the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company with effect from the Effective Date.

3.9 Where any of the liabilities mentioned in sub-clause 3.8 have been discharged by the Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Resulting Company.



- 3.10 All cheques and other negotiable instruments, payment orders received and presented for encashment which are in the name of the Demerged Company and pertaining to the Demerged Undertaking after the Effective Date, shall be accepted by the bankers of the Resulting Company and credited to the accounts of the Resulting Company, if presented by the Resulting Company.

#### **4. CONSIDERATION FOR THE PROPOSED DEMERGER**

- 4.1 Upon this Scheme becoming effective and as consideration for the proposed demerger, the Resulting Company shall, without any act, application, payment or deed, allot and issue 274890000 equity shares at a nominal value of ₹10/- each amounting to ₹2,74,89,00,000 [Rupees Two Hundred Seventy Four crore Eighty Nine Lakhs only], being the amount invested by Government of India in equity share capital of the Demerged Company for downstream investment in the Equity Share Capital of the Resulting Company for funding the Demerged Undertaking, shall be credited as fully paid up, to Government of India represented by the Ministry of Health & Family Welfare or the Department of Biotechnology or any other Department or any other Ministry of the Government of India as decided by the Government of India."
- 4.2 Share capital invested by the Government of India in the Demerged Company pertaining to the Demerged Undertaking will be reduced in accordance with Section 66 of the Companies Act, 2013 as stated under PART C in this Scheme.
- 4.3 The Resulting Company will no longer be the subsidiary Company of the Demerged Company and Government of India will hold shares in the Resulting Company directly.

#### **5. ACCOUNTING TREATMENT**

##### **In the books of the Demerged Company**

- 5.1 On the Scheme of Demerger becoming effective, the Demerged Company shall in its books of account make necessary entries as under:
- (i) The assets and liabilities of the Demerged Company transferred to and vested in the Resulting Company pursuant to Demerger shall be recorded at their book value.





- (ii) The Demerged Company shall follow the Accounting Standard prescribed under Indian Accounting Standard 103 on 'Business Combination' and other Accounting Standards as applicable, issued by the Central Government as amended from time to time.

### **In the books of the Resulting Company**

5.2 On the Scheme of Demerger becoming effective, the Resulting Company shall in its books of account make necessary entries as under:

- (i) The Resulting Company shall follow the Accounting Standard prescribed under Indian Accounting standard 103 on 'Business Combination' and other Accounting Standards as applicable, issued by the Central Government as amended from time to time.

## **6. CONDUCT OF BUSINESS**

With effect from the Appointed Date and up to and including the Effective Date:

- 6.1 The Demerged Company shall, in respect of the Demerged Undertaking, be deemed to have been carrying on and shall carry on its business and activities and shall hold and stand possessed of and hold all its properties and assets in relation to the Demerged Undertaking for and on account of and in trust for the Resulting Company.
- 6.2 The Resulting Company shall be entitled, pending the sanction of the Scheme by the Central Government, to apply to the Central/State Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the business of the Demerged Undertaking.

## **7. EMPLOYEES**

- 7.1 On the Scheme becoming effective, the Demerged Company shall provide option to all the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking, if any, either to stay back in the Demerged Company or move to the Resulting Company and the employees appointed directly by the Resulting Company on their rolls shall, if any, become the employees of the



Resulting Company with effect from the Appointed Date, without any break or interruption in their services, on same (but in any case no less favourable) terms and conditions on which they are engaged as on the Effective Date, the Resulting Company further agrees that for the purpose of provident fund or superannuation or payment of any other retirement or termination benefit / compensation, or other statutory purposes, the services of such employees will be reckoned from the date of their respective appointments with the Demerged Undertaking of the Demerged Company. Any question that may arise as to whether any employee belongs to or does not belong to the Demerged Undertaking shall be decided jointly by the Boards of Directors of the Demerged Company and the Resulting Company.

- 7.2 The accumulated funds standing to the credit of the employees whose services are transferred under Clause 7.1 above, relating to superannuation, provident fund and gratuity fund or any other statutory or special fund or trusts created or existing for the benefit of the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking shall be identified, determined and transferred to such provident fund, superannuation fund and other funds nominated by the trusts / funds of the Resulting Company or other funds to be established and caused to be recognized by the concerned authorities by the Resulting Company, and such employees shall be deemed to have become members of such trusts / funds of the Resulting Company on the same terms and conditions as applicable to the Funds of the Demerged Company in relation to the said employees. On and from the Effective Date, but with effect from the Appointed Date, and subject to getting the Scheme approved by the relevant authorities, the Resulting Company shall make the necessary contributions for such employees in relation to the funds. It is clarified that the services of the employees of the Demerged Company engaged in or in relation to the Demerged Undertaking of the Demerged Company shall be treated as having been continuous without any break, discontinuance or interruption for the purpose of the said funds.
- 7.3 It is the aim and intent of this Scheme that all the rights, duties, powers and obligations of the Demerged Undertaking of the Demerged Company in relation to such funds shall become those of the Resulting Company.





## **8. LEGAL PROCEEDINGS**

- 8.1 All legal proceedings relating to the Demerged Undertaking of whatsoever nature by or against the Demerged Company pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affect by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Resulting Company, as the case may be, in the same manner and to the same extent as it would or might have been continued and enforced by or against the Demerged Company as if the Scheme had not been made.
- 8.2 All legal or other proceedings initiated by or against the Demerged Undertaking referred in Clause 8.1 above shall stand transferred to the name of the Resulting Company and the same shall be continued, prosecuted, defended and enforced as the case may be by or against the Resulting Company, to the exclusion of the Demerged Company.

## **9. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 9.1 Upon the coming into effect of this Scheme and subject to the other provisions of this Scheme, all contracts, deeds, bonds, schemes, insurance, letters of intent, undertakings, arrangements, policies, agreements and other instruments (including all tenancies, leases, and other assurances in favour of the Demerged Company or powers or authorities granted by or to it), if any, of whatsoever nature pertaining to the Demerged Undertaking, to which the Demerged Company is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company, as the case may be, and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto and shall be binding on the Resulting Company.
- 9.2 The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged

Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.

## 10. TAXES

- 10.1 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is / are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme to stand modified to the extent necessary to comply with Section 2(19AA) of the income-tax Act, 1961; such modification shall not affect other parts of the Scheme.
- 10.2 All taxes (including income tax, sales tax, excise duty, custom duty, service tax, value added tax, GST etc.) paid or payable by the Demerged Company in respect of the operations and / or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, in so far as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, value added tax, GST etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 10.3 The Resulting Company and/or the Demerged Company shall be entitled to revise and file income tax returns, sales tax / value added tax return, service tax returns, GST returns and other returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.





**PART C**  
**REDUCTION OF CAPITAL THROUGH CANCELLATION OF SHARES**  
**OF THE DEMERGED COMPANY HELD BY ITS EXISTING**  
**SHAREHOLDERS**

**11. REDUCTION OF SHARE CAPITAL OF THE DEMERGED COMPANY**

- 11.1 On and from the Effective Date, and with effect from the Demerger Appointed Date, the issued, subscribed and paid-up equity share capital of 274890000 equity shares at a nominal value of ₹10/- each amounting to ₹2,74,89,00,000 [Rupees Two Hundred Seventy Four crore Eighty Nine Lakhs only] being the amount invested by Government of India in the equity share capital of the Demerged Company for downstream investment in the Equity Share Capital of the Resulting Company for funding the Demerged Undertaking of the Demerged Company shall, without any further application, act, instrument or deed and without any payment, be reduced.
- 11.2 On and from the Effective Date and with effect from the Demerger Appointed Date, the debit balance, in the Capital Reserve Account of the Demerged Company, shall be adjusted against the equity share Capital as per clause 11.1. The above reduction of equity share capital shall be carried out by cancellation of the shares held by existing shareholders of the Demerged Company.
- 11.3 Such reduction of Equity Share Capital of the Demerged Company as provided in Clause 11.1 above, shall be effected as an integral part of the Scheme on the Effective Date and the order of the Central Government sanctioning the Scheme shall be deemed to be an order under Section 66 of the Companies Act, 2013, confirming the reduction in share capital of the Demerged Company, and no separate sanction under Section 66 of the Companies Act, 2013, will be necessary.
- 11.4 Notwithstanding the reduction of the issued, subscribed and paid-up equity share capital of the Demerged Company, it shall not be required to add the words "And Reduced" as suffix to its name.



## PART D

### GENERAL TERMS AND CONDITIONS

#### **12. REMAINING UNDERTAKING**

- 12.1 The Remaining Undertaking and all the assets, liabilities and obligations relating or pertaining thereto shall continue to belong solely to and continue to be vested solely in and be managed by the Demerged Company.
- 12.2 All legal, tax and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, whether or not in respect of any matter arising before the Effective Date and pertaining or relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Undertaking) shall be continued and enforced solely by or against the Demerged Company only.
- 12.3 The Demerged Company shall carry on all business and activities pertaining or relating to the Remaining Undertaking in its own name and on its own account and its own behalf in all respects.
- 12.4 All profit accruing to the Demerged Company or losses arising or incurred by it pertaining or relating to the Remaining Undertaking shall, for all purposes, be treated as its profit, or losses, as the case may be of the Demerged Company.

#### **13. APPLICATION TO CENTRAL GOVERNMENT**

The Resulting Company and the Demerged Company shall make all necessary applications/ petitions under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act to the Central Government for seeking approval of the Scheme and for such other orders as the Central Government may deem fit for bringing the Scheme into effect and all matters ancillary or incidental thereto.

#### **14. MODIFICATION OR AMENDMENTS TO THE SCHEME**

Subject to the approval of the Central Government, the Resulting Company and the Demerged Company by their respective Boards of Directors (the "Board", which term shall include any Committee





thereof), may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Central Government and/or any other statutory/regulatory authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Boards). The Resulting Company and the Demerged Company, by their respective Boards, are authorised to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

## **15. CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 15.1 The Scheme shall be approved by the requisite majorities in number and value of the Shareholders and/or Creditors (where applicable) of the Resulting Company and the Demerged Company as may be directed by the Central Government.
- 15.2 The Scheme shall be sanctioned by the Central Government under Sections 230 to 232 of the Act and other applicable provisions of the Act.
- 15.3 The requisite consent, approval or permission of any other Statutory or Regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 15.4 Authenticated/ certified copies of the orders of the Central Government sanctioning the Scheme shall be filed with the relevant Registrar of Companies by the Demerged Company and the Resulting Company respectively.

## **16. EFFECT OF NON-RECEIPT OF APPROVALS**

- 16.1 In the event of any of the said sanctions and approvals referred to in Clause 15 not being obtained and/ or the Scheme not being sanctioned by the Central Government by as may be mutually agreed by the



Board of directors of the Demerged Company and the Resulting Company, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

- 16.2 In the event of revocation under Clause 16.1, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* to the Demerged Company and the Resulting Company or their respective Shareholders or Creditors or Employees or any other person save and except in respect of any act or deed prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with the applicable laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

## **17. COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including- duties, levies and all other expenses arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto with respect to the transfer of the Demerged Undertaking, as a going concern, from the Demerged Company to the Resulting Company, shall be borne by the Resulting Company.

## **18. SAVING OF CONCLUDED TRANSACTIONS**

Subject to the terms of this Scheme, the transfer and vesting of the Demerged Undertaking under PART B of this Scheme shall not affect any transactions or proceedings already concluded by the Demerged Company in relation to the Demerged Undertaking on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things made, done and executed by the Demerged Company in relation to the Demerged Undertaking as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.





## 19. SEVERABILITY

If any provision of this Scheme is held invalid, ruled illegal/ unenforceable for any reason whether under present or future laws by the Central Government, parties or any other Government authorities/ person(s) as applicable under the Act, then it is the intention of the parties that such provision shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such provision shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such provision.

## 20. OTHER MATERIAL INFORMATION

- (a) Parties involved in the Scheme: The Demerged Company, the Resulting Company and their respective Shareholders and Creditors.
- (b) Appointed Date: 1<sup>st</sup> April, 2019.
- (c) Effective Date: Effective date means the later of the dates on which the certified or authenticated copies of the orders sanctioning the Scheme, passed by the Central Government is filed with the Registrar of Companies by the Demerged Company and the Resulting Company.
- (d) Share Exchange Ratio: Not Applicable.
- (e) Summary of Valuation Report: Not Applicable.
- (f) Details of Capital or debt restructuring: Not Applicable.
- (g) Rationale for arrangement: Provided in SI No. IV of this scheme.
- (h) Benefits of the arrangement as perceived by the Board of Directors to the Company, Members, Creditors and others:

This arrangement is done based on the 'in-principle' approval given by the Cabinet Committee on Economic Affairs [CCEA], Government of India, in its meeting held on 1<sup>st</sup> November, 2017 for hiving off the Vaccine Business Undertaking as a separate Special Purpose Vehicle and thereafter sale of 100% of



Government's equity shareholding in HLL Lifecare Limited via a two-stage auction process. Hence, the Demerged Company has to necessarily hive off the Vaccine Business Undertaking to the Resulting Company.

**21. DISCLOSURE ABOUT THE EFFECT OF THE ARRANGEMENT**

- (a) Key Managerial Personnel: On the Scheme becoming effective, the Key Managerial Personnel of the Demerged Company engaged in or in relation to the Demerged Undertaking and the Key Managerial Personnel appointed directly by the Resulting Company on their rolls shall become the employees of the Resulting Company with effect from the Appointed Date.
- (b) Directors: On the Scheme becoming effective, all Nominee Directors appointed by the Demerged Company in the Resulting Company shall cease as Nominee Directors on the Board of the Resulting Company. However, the Nominee Directors appointed by the Government of India will continue.
- (c) Promoters: Upon the Scheme becoming effect and after the consideration as per clause 4 has been made by the Resulting Company, the Demerged Company will cease to hold 100% equity shares of the Resulting Company. Instead, the Government of India will hold 100% equity shares of the Resulting Company.
- (d) Non-promoter members: Not Applicable.
- (e) Depositors: Not Applicable.
- (f) Creditors: The dues with respect to Demerged Undertaking will be transferred to the Resulting Company.
- (g) Debenture holders: Not Applicable.
- (h) Deposit Trustee and Debenture Trustee: Not Applicable.
- (i) Employees of the Company: The effect of the arrangement on employees has been provided in Clause 7 of this scheme.
- (j) Investigation or proceedings if any pending against the company under the Act: None.



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