



NOTICE

Notice is hereby given that the 42nd (Forty second) Annual General Meeting of the Members of HPL Additives Limited will be held on Thursday, the 29th September, 2018, at 12.00 Noon, on a shorter notice at the Registered Office of the Company at 803, Vishal Bhawan, 95, Nehru Place, New Delhi - 110 019 to transact the following business:

AS ORDINARY BUSINESS

1. To Adopt the Annual Accounts

To receive, consider and adopt the standalone and consolidated Financial statements of the company for the year ended 31st March, 2018 including Audited Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss of the Company for the year ended March 31, 2018 along with Notes of Accounts, Cash Flow Statement and the Reports of the Auditors and Board of Directors thereon and to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT the standalone and consolidated Financial statements of the company for the year ending 31st March, 2018, including Balance Sheet as on 31st March, 2018, Statement of Profit and Loss for the year ended 31st March, 2018 along with Notes to Accounts and Cash Flow Statement and the Auditors and Directors Report thereon be and are hereby received and adopted.”

2. To Declare Final Dividend and confirm Interim Dividend for Financial year 2017-18

To declare a Final Dividend of 20% on Equity Shares @ Re. 2 per share, for the financial year 2017-18 and to confirm interim dividend of 15% @ Re. 1.50 per share, already paid for the financial year ended 31st March, 2018.

3. To Appoint Director

To appoint a Director in place of Mr. Umesh Anand (DIN: 00122526), who retires by rotation and is eligible for re-appointment and to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Umesh Anand (DIN: 00122526), Director, who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company.”

4. To appoint Ms. Alka Bhardwaj as Independent Director of the company for a period of 2 years

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“ RESOLVED THAT pursuant to the provisions of Section 149 (4) of Companies Act, 2013 read with Rule 4 of Companies (Appointment of directors and their Qualification) Rules, 2014, consent be and is hereby accorded by the members for the appointment of Ms. Alka Bhardwaj as an Independent Director of the company for a period of 2 years.”

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AS SPECIAL BUSINESS

5. To approve the managerial remuneration of Mr. Harcharan Singh (DIN: 00183848), as Chairman cum Managing Director and to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Members be and is hereby accorded for the remuneration payable to Mr. Harcharan Singh, Chairman-cum-Managing Director with effect from 1st April-2017.”

“RESOLVED FURTHER THAT Mr. Harcharan Singh, Chairman-cum-Managing Director, in pursuance of the applicable provisions of the Companies Act, 2013, be paid, the remuneration on the terms and conditions as set out below:

1. Basic Salary: Rs. 6, 98,160/- p.m.
2. Dearness Allowance: nil.
3. Perquisites: Perquisites shall be allowed in addition to salary.

Unless the contract otherwise requires, perquisites are classified into three Categories ‘A’, ‘B’ and ‘C’.

CATEGORY- A

This will comprise house rent allowance, medical reimbursement; leave travel concession, club fees and other benefits, allowances, expenses etc. These may be provided for as under:

- I. House Rent Allowance: Fixed House Rent Allowance: nil.
- II. Hospital / Hospitalization Expenses Reimbursement: At Actuals
- III. Leave Travel Concession: Nil
- IV. Club Fees: Fees and expenses in respect of two clubs to be borne by the company
- V. Personal Medical / Accident Insurance etc.:
Coverage for Personal Medical / Accident Insurance / Keyman Insurance or any other coverage as per the rules of the company and the annual premium for the same to be paid by the Company.

Explanation:

- (i) For the purposes of Category ‘A’ family means spouse, dependent children and dependent parents of the appointee.
- (ii) Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

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CATEGORY- B

- I. Contribution to Provident Fund/ Superannuation Fund/ Annuity Fund as per the rules of the company and will not be included in the computation of ceiling on perquisites to the extent these, either single or put together, are not taxable under the Income Tax Act, 1961: Rs. 83,779 p.m./-
- II. Gratuity: Gratuity payable shall be in accordance with the rules of the Company.

CATEGORY- C

- I. Motor Car: Free use of car with Driver for the Company's business, all the expenditure in connection therewith being borne by the company.
- II. Telephone: Free telephone facility at residence.

Other Terms

- I. Earned Leave: On full pay and allowances as per the rules of the Company. Leave accumulated and not availed may be allowed to be encashed. Encashment of leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.
- II. Reimbursement of Expenses: Reimbursement of traveling, entertainment and other expenses incurred by him during the course of business of the Company.
- III. Sitting Fees: The Managing Director/ Directors shall not be entitled to sitting fees for attending Meetings of the Board.

In addition, Mr. Harcharan Singh be paid performance bonus @ 1.5% of Net profits of the Company. If the company has no profits or the profits are inadequate in any financial year during the term of his office as the managing director, he will be entitled to receive the above remuneration and perquisite as minimum remuneration, provided that the total remuneration of salary, perquisites and any other allowance shall not exceed the ceiling as provided in Schedule V of the Companies Act, 2013 or such other amount and perquisites as / is may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

"RESOLVED FURTHER THAT Ms. Moonmoon Sen, Company Secretary, be and is hereby authorized to sign and file the necessary documents with Registrar of Companies and to do all acts and things as may be necessary in this connection."

6. To approve the managerial remuneration of Mr. Umesh Anand (DIN: 00122526), as Jt. Managing Director and to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Members be and is hereby accorded for the remuneration payable to Mr. Umesh Anand, Jt. Managing Director with effect from 1st April-2017."

"RESOLVED FURTHER THAT Mr. Umesh Anand, Jt. Managing Director, in pursuance of the applicable provisions of the Companies Act, 2013, be paid, the remuneration on the terms and conditions as set out below:

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1. Basic Salary: Rs. 5, 86,446/- p.m.
2. Dearness Allowance: nil.
3. Perquisites: Perquisites shall be allowed in addition to salary.

Unless the contract otherwise requires, perquisites are classified into three Categories 'A', 'B' and 'C'.

CATEGORY- A

This will comprise house rent allowance, medical reimbursement; leave travel concession, club fees and other benefits, allowances, expenses etc. These may be provided for as under:

- I. House Rent Allowance: Fixed House Rent Allowance: nil.
- II. Hospital / Hospitalization Expenses Reimbursement: At Actuals
- III. Leave Travel Concession: Nil
- IV. Club Fees: Fees and expenses in respect of two clubs to be borne by the company
- V. Personal Medical / Accident Insurance etc.:
Coverage for Personal Medical / Accident Insurance / Keyman Insurance or any other coverage as per the rules of the company and the annual premium for the same to be paid by the Company.

Explanation:

- (i) For the purposes of Category 'A' family means spouse, dependent children and dependent parents of the appointee.
- (ii) Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

CATEGORY- B

- I. Contribution to Provident Fund/ Superannuation Fund/ Annuity Fund as per the rules of the company and will not be included in the computation of ceiling on perquisites to the extent these, either single or put together, are not taxable under the Income Tax Act, 1961: Rs. 70,374 p.m./-
- II. Gratuity: Gratuity payable shall be in accordance with the rules of the Company.

CATEGORY- C

- I. Motor Car: Free use of car with Driver for the Company's business, all the expenditure in connection therewith being borne by the company.
- II. Telephone: Free telephone facility at residence.

Other Terms

- I. Earned Leave: On full pay and allowances as per the rules of the Company. Leave accumulated and not availed may be allowed to be encashed. Encashment of leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.
- II. Reimbursement of Expenses: Reimbursement of traveling, entertainment and other expenses incurred by him during the course of business of the Company.
- III. Sitting Fees: The Managing Director/ Directors shall not be entitled to sitting fees for attending Meetings of the Board.

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In addition, Mr. Umesh Anand be paid performance bonus @ 1.5% of Net profits of the Company. If the company has no profits or the profits are inadequate in any financial year during the term of his office as the managing director, he will be entitled to receive the above remuneration and perquisite as minimum remuneration, provided that the total remuneration of salary, perquisites and any other allowance shall not exceed the ceiling as provided in Schedule V of the Companies Act, 2013 or such other amount and perquisites as / is may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

“RESOLVED FURTHER THAT Ms. Moonmoon Sen, Company Secretary, be and is hereby authorized to sign and file the necessary documents with Registrar of Companies and to do all acts and things as may be necessary in this connection.”

7. To approve the managerial remuneration of Mr. Satpal Singh (DIN: 00286831), as Whole time Director and to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

‘RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956), the consent of the Members be and is hereby accorded for the remuneration payable to Mr. Satpal Singh, Wholetime Director with effect from 1st April-2017.”

“RESOLVED FURTHER THAT Mr. Satpal Singh, Wholetime Director, in pursuance of the applicable provisions of the Companies Act, 2013, be paid, the remuneration on the terms and conditions as set out below:

1. Basic Salary: Rs. 1, 56,386/- p.m.
2. Dearness Allowance: nil.
3. Perquisites: Perquisites shall be allowed in addition to salary.

Unless the contract otherwise requires, perquisites are classified into three Categories ‘A’, ‘B’ and ‘C’.

CATEGORY- A

This will comprise house rent allowance, medical reimbursement; leave travel concession, club fees and other benefits, allowances, expenses etc. These may be provided for as under:

- I. House Rent Allowance: Fixed House Rent Allowance: nil.
- II. Medical / Hospitalization Expenses Reimbursement: Rs. 1250/- per month to be paid towards medical re-imburements to the appointee and his family.
- III. Leave Travel Concession: Nil
- IV. Club Fees: Fees and expenses in respect of two clubs to be borne by the company
- V. Personal Medical / Accident Insurance etc.:
Coverage for Personal Medical / Accident Insurance / Keyman Insurance or any other coverage as per the rules of the company and the annual premium for the same to be paid by the Company.

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Explanation:

- (i) For the purposes of Category 'A' family means spouse, dependent children and dependent parents of the appointee.
- (ii) Perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.

CATEGORY- B

- I. Contribution to Provident Fund/ Superannuation Fund/ Annuity Fund as per the rules of the company and will not be included in the computation of ceiling on perquisites to the extent these, either single or put together, are not taxable under the Income Tax Act, 1961: Rs. 18766 p.m./-
- II. Gratuity: Gratuity payable shall be in accordance with the rules of the Company.

CATEGORY- C

- I. Motor Car: Free use of car with Driver for the Company's business, all the expenditure in connection therewith being borne by the company.
- II. Telephone: Free telephone facility at residence.

Other Terms

- I. Earned Leave: On full pay and allowances as per the rules of the Company. Leave accumulated and not availed may be allowed to be encashed. Encashment of leave at the end of the tenure, if any, will not be included in the computation of the ceiling on perquisites.
- II. Reimbursement of Expenses: Reimbursement of traveling, entertainment and other expenses incurred by him during the course of business of the Company.
- III. Sitting Fees: The Managing Director/ Directors shall not be entitled to sitting fees for attending Meetings of the Board.

If the company has no profits or the profits are inadequate in any financial year during the term of his office as the managing director, he will be entitled to receive the above remuneration and perquisite as minimum remuneration, provided that the total remuneration of salary, perquisites and any other allowance shall not exceed the ceiling as provided in Schedule V of the Companies Act, 2013 or such other amount and perquisites as / is may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

"RESOLVED FURTHER THAT Ms. Moonmoon Sen, Company Secretary, be and is hereby authorized to sign and file the necessary documents with Registrar of Companies and to do all acts and things as may be necessary in this connection."

- 8. Approval of Related Party transactions and to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution

"RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with HPL Mercantile Private Limited, a related party within the meaning of Section 2(76) of the Act for sale of its goods, on such terms and conditions as

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the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 12 Crore for the financial year 2018-19.

“RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution”

9. Approval of Related Party transactions and to consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution

“RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with High Polymer Labs Inc, a related party within the meaning of Section 2(76) of the Act for sale of its goods, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of Rs. 38 Crore for the financial year 2018-19.

“RESOLVED further that the Board of Directors be and is hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be considered necessary or expedient to give effect to the aforesaid resolution.

10. To ratify the remuneration of Cost Auditors and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution

“ RESOLVED THAT pursuant to the provisions of Section 141 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to such guidelines and approval as may be required from the Central government the re-appointment of M/s. K Sahu & Associates (Membership No. 27028, FRN No. 001399), Cost Accountants, as Cost Auditors to audit the cost records maintained by the Company on a remuneration of Rs.1,00,000/- (Rupees One Lakh Only) excluding out of pocket expenses, be and is hereby ratified.”

By Order of the Board of Directors

Moonmoon Sen
Company Secretary

Place: New Delhi
Date: 17thSeptember, 2018

HPL ADDITIVES LIMITED



Notes:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 7 of the Notice, is annexed hereto.
2. A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS(48) before commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate shareholders intending to send their authorized representatives to attend the AGM are requested to send to the Company a certified copy of the Board resolution authorizing their representatives to attend and vote on their behalf at the AGM.
4. A statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the AGM under Item No. 5 to 8 is annexed hereto.

By Order of the Board of Directors

Moonmoon Sen
Company Secretary

Place: New Delhi
Date: 17thSeptember, 2018

HPL ADDITIVES LIMITED

FLOOR 5th, BLOCK A, VATIKA MINDSCAPES, 12/3 MAIN MATHURA ROAD, FARIDABAD – 121003, HARYANA – INDIA
T: +91 129 2251300 F: +91 129 2251304-05 E: hpla@hpladditives.com W: www.hpladditives.com
REGSITERED OFFICE: 803 VISHAL BHAWAN, 95 NEHRU PLACE, NEW DELHI – 110019, INDIA
CIN: U25209DL1976PLC008309



**Explanatory Statement
(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5 to 8 of the accompanying Notice:

Item No. 5, 6 and 7

Keeping in view the trend of profits and performance of the company, the Nomination and Remuneration Committee meeting held on 16th March, 2018, recommended an increase by 10% in remuneration of the Managing and Whole-time directors namely, Mr. Harcharan Singh, Mr. Umesh Anand and Mr. Satpal Singh, which was thereafter approved by the Board of Directors in their meeting held on the same date. The increase in remuneration is subject to the approval of members.

No director, except Mr. Harcharan Singh, Mr. Umesh Anand and Mr. Satpal Singh, is deemed to be interested or concerned.

The Board accordingly recommends the resolutions as Ordinary Resolutions as set out in Item 5, 6 and 7 of the Notice for approval of the members.

Item No. 8 and 9

The Company enters into transactions with its related party, HPL Mercantile Pvt. Ltd. and High Polymer Labs Inc. with respect to sale of goods. Through this resolution the company wishes to take approval of the shareholders to enter into sale transaction with HPL Mercantile Pvt. Ltd. upto a maximum aggregate value of Rs. 12 crores and Rs. 35 crores with High Polymer Labs Inc during FY 2108-19.

No director, except Mr. Harcharan Singh and Mr. Umesh Anand is deemed to be interested or concerned.

The Board accordingly recommends the resolutions as Ordinary Resolutions as set out in Item 8 and 9 of the Notice for approval of the members.

Item No. 10

The Company proposes to re-appoint M/s. K Sahu & associates as Cost Auditor of the Company for FY 2018-19 and fixes the remuneration at Rs. 1,00,000 excluding out of pocket expenses on mutual agreement between the cost auditor and the company.

No director is deemed to be interested or concerned.

The Board accordingly recommends the resolutions as Ordinary Resolutions as set out in Item 10 of the Notice for approval of the members.

HPL ADDITIVES LIMITED



PROXY FORM

HPL ADDITIVES LIMITED

Regd. Office : 803, Vishal Bhawan, 95 Nehru Place

New Delhi – 110 019

I/We.....of.....in the district of
being a member/ members of the above named company
 hereby appointofin the
 district ofor failing him
of.....in the district ofas my/our proxy to
 attend and vote on my/our behalf at the Fortieth Annual General Meeting of the Company
 to be held on 29th September, 2018 at 1200 P.M. and at any adjournment thereof.

Signed thisday of2018

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|--------------------------------------|
| Affix Revenue Stamp of Re.1 |
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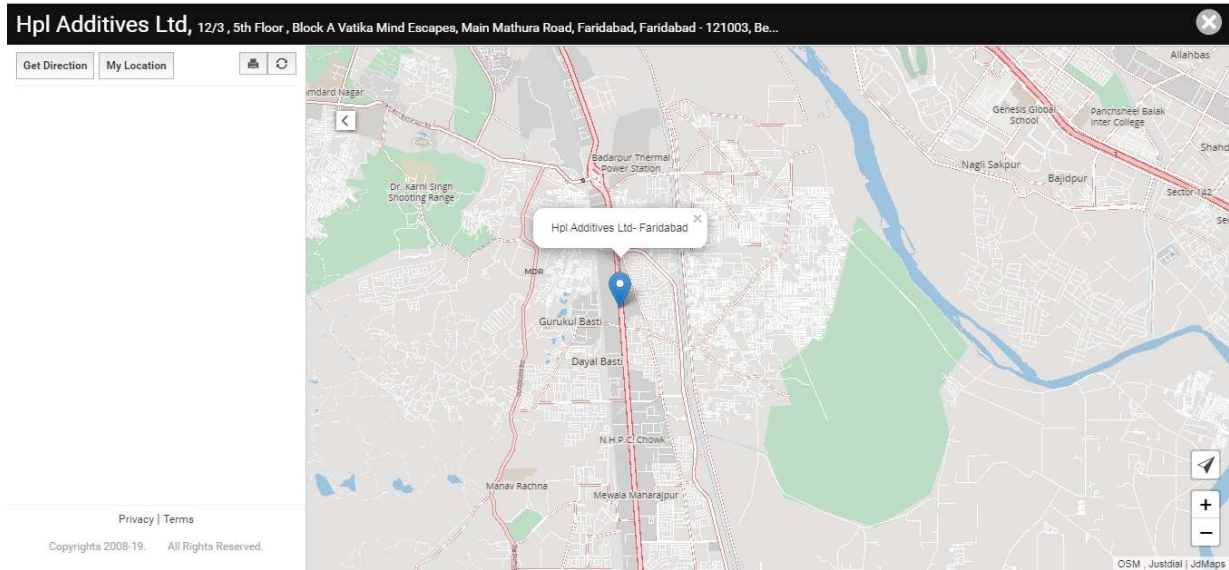
Notes:

1. The proxy need not be a member.
2. The proxy form duly signed across Revenue Stamp should reach Company’s Registered Office at least 48 hours before the time of the meeting.

HPL ADDITIVES LIMITED



ROUTE MAP



HPL ADDITIVES LIMITED

FLOOR 5th, BLOCK A, VATIKA MINDSCAPES, 12/3 MAIN MATHURA ROAD, FARIDABAD – 121003, HARYANA – INDIA
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REGSITERED OFFICE: 803 VISHAL BHAWAN, 95 NEHRU PLACE, NEW DELHI – 110019, INDIA
CIN: U25209DL1976PLC008309