



NOTICE

Notice is hereby given that the 40th (Fortieth) Annual General Meeting of the Members of HPL Additives Limited will be held on Friday, the 30th September, 2016, at 11.00 A.M, 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 Financial statements of the company for the year ended 31st March, 2016 including Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss of the Company for the year ended March 31, 2016 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 Financial statements of the company for the year ending 31st March, 2016, including Balance Sheet as on 31st March, 2016, Statement of Profit and Loss for the year ended 31st March, 2016 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 2015-16

To declare a Final Dividend of 10% on Equity Shares @ Re. 1 per share, for the financial year 2015-16 and to confirm interim dividend of 18% @ Re. 1.80 per share, already paid for the financial year ended 31st March, 2016.

3. To Appoint Director

To appoint a Director in place of Mr. Satpal Singh (DIN: 00286831), 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. Satpal Singh (DIN: 00286831), 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 Ratify the re-appointment of Statutory Auditors

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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”) (including any statutory modification or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. BSR & Co. LLP, Chartered Accountants, (Firm Registration No.

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101248W/W-100022), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2017 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

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-2015.”

“**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. 5, 51,905/- 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: Nil
- 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. 66,229 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% 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 Chakraborty, 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-2015."

"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. 4, 63,594/- 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: Nil
- 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. 55,631 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% 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 Chakraborty, 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-2015.”

“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, 23,625/- 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. 14,835 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 Chakraborty, 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. To ratify remuneration of cost auditors of the Company

To consider and if thought fit to pass with or without modification(s), the following resolution as 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

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Central government the re-appointment of M/s. HAM & Associates (Firm Registration No. 000498, Membership No. 27478), Cost Accountants, as Cost Auditors to audit the cost records maintained by the Company on a remuneration to the maximum of Rs.85,000/- (Rupees Eighty Five Thousand Only) including service tax and out of pocket expenses, be and is hereby ratified.”

By Order of the Board of Directors

Place: New Delhi
Date: 26th September, 2016

Moonmoon Chakraborty
Company Secretary

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
REGISTERED OFFICE: 803 VISHAL BHAWAN, 95 NEHRU PLACE, NEW DELHI – 110019, INDIA
CIN: U25209DL1976PLC008309



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 8 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

Place: New Delhi
Date: 26th September, 2016

Moonmoon Chakraborty
Company Secretary

HPL ADDITIVES LIMITED

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**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 December, 2015, recommended an increase by 7.5% 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

The Board on recommendation of the Audit Committee has approved the appointment and remuneration of M/s. HAM & Associates, Cost Accountants as the Cost auditors to conduct the audit of the cost records of the company relating to manufacture of chemical and chemical products for the financial year ending on March 31, 2017.

In accordance with the provisions of Section 141 and 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the cost auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the shareholders is sought for passing an Ordinary Resolution as set out at Item no. 9 of the Notice for approval by the shareholders.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company/ their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

HPL ADDITIVES LIMITED

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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 30th September, 2016 at 11.00 A.M. and at any adjournment thereof.

Signed thisday of2016

Affix Revenue Stamp of Re.1

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

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CIN: U25209DL1976PLC008309