



4th September, 2025

To,
National Stock Exchange of India Ltd
Listing Department
Exchange Plaza, C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai 400051.
Scrip ID - HPAL

To,
BSE Limited
Listing Department
1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001.
Scrip Code – 543433

Subject: Annual Report 2024-25 along with Notice of 6th Annual General Meeting of the Company to be held on Tuesday, 30th September, 2025 through VC/ OAVM.

Dear Sir/ Madam,

The 6th Annual General Meeting (AGM) of HP Adhesives Limited (“the Company”) is scheduled to be held on **Tuesday, 30th September, 2025 at 03:00 PM (IST)** through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in compliance with MCA circulars.

Pursuant to Regulation 34(1)(a) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find enclosed herewith an electronic copy of the Annual Report for the Financial Year 2024-25 along with the Notice of 6th AGM. The said Notice of the AGM and Annual Report being sent today i.e. 4th September, 2025 by email to those Members whose email addresses are registered with the Company/Depository Participant(s).

The said Annual Report and Notice of AGM are also available on the website of the Company at www.hpadhesives.com. The web-links to the same are given below:

Annual Report 2024-25: https://www.hpadhesives.com/wp-content/uploads/2025/09/HP-Adhesives_AR-FY2024-25.pdf

Notice of 6th AGM: https://www.hpadhesives.com/wp-content/uploads/2025/09/HP-Adhesives_Notice_AGM_FY2024-25.pdf

The Record date for the purpose of payment of dividend is Tuesday, 23rd September, 2025. Members are requested to refer AGM notice for tax on dividend and submission of requisite documents.

HP ADHESIVES LIMITED (Formerly known as HP ADHESIVES PRIVATE LIMITED)

Corporate Office: 501, 5th floor, C Wing, Business Square Bldg., Andheri East, Mumbai 400093, Maharashtra, India
Registered Office: 11, Unique House, Chakala, Andheri (East), Mumbai 400099, India
CIN: L24304MH2019PLC325019

Tel: +91-22-68196300
Email: info@hpadhesives.com
Web: www.hpadhesives.com



The Company is providing remote e-voting & e-voting at AGM facility to the members through electronic voting platform of Central Depository Services (India) Limited (CDSL). **Members holding shares as on cut-off date i.e. Tuesday, 23rd September, 2025 may cast their votes electronically on the resolutions included in the Notice of 6th AGM. The remote e-voting shall commence from 9:00 a.m. (IST) on Saturday, 27th September, 2025 and shall end at 5:00 p.m. (IST) on Monday, 29th September, 2025.**

Kindly take same on record.

Thanking you,

Yours faithfully,

For HP Adhesives Limited

KARAN
HARESH
MOTWANI

Digitally signed by
KARAN HARESH
MOTWANI
Date: 2025.09.04
17:06:11 +05'30'

Karan Haresh Motwani

Managing Director

DIN: 02650089

Encl: As above

HP ADHESIVES LIMITED

Annual Report 2024-25



SCALING UP WITH **PURPOSE.**





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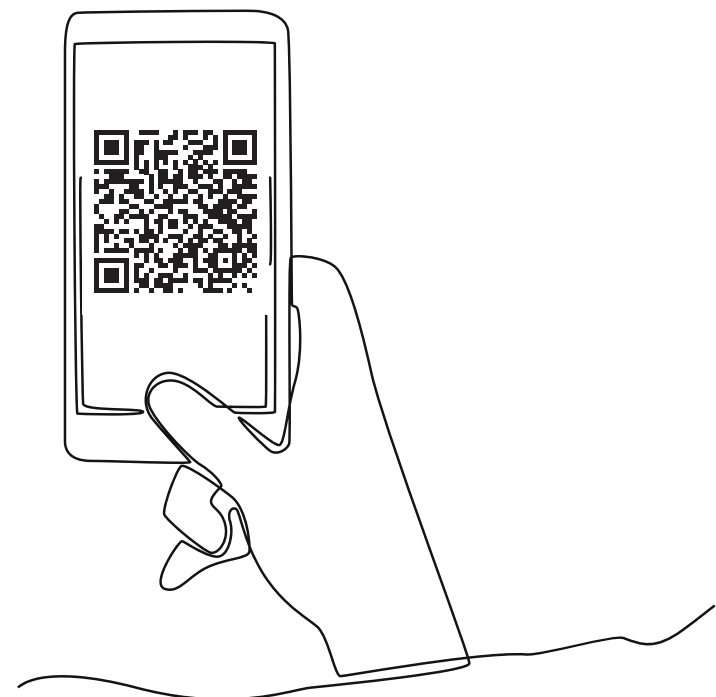
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For more investor-related information, please visit:
<https://www.hpadhesives.com/investor-relations/>

Or, simply scan to access investor-related information



Disclaimer:

This document contains statements about expected future events and financials of HP Adhesives Limited ('HP Adhesives'), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

SCALING UP WITH PURPOSE.

In a rapidly changing marketplace, sustainable growth calls for deliberate choices, clear priorities, and a long-term perspective. Businesses that align innovation with purpose are better positioned to create value, not only for their stakeholders but also for the world they operate in. This balance between ambition and responsibility defines the next chapter of enterprise leadership.

With an eye on the future, HP Adhesives continues to shape its growth story with quiet confidence and clarity. The Company views progress not merely as the pursuit of expansion but as a disciplined commitment to purposeful growth, anchored in innovation, integrity, and long-term vision.

During the year, this philosophy came to life through several strategic milestones. The Company introduced new product categories with the launch of Epoxy Adhesives and Cyanoacrylates, carefully developed to address the evolving requirements of targeted customer segments. The distribution network was further expanded with the opening of new depots in Kanpur and Patna, bringing greater agility to the supply chain and reinforcing market proximity.

The sales force also grew in scale and sharpened its capabilities, reflecting the Company's determination to expand its reach and deliver exceptional service by investing in manpower for the long term, even at the cost of a short-term impact on profitability. On the sustainability front, the installation of solar panels

at Unit II signalled a decisive step towards responsible manufacturing, underscoring a commitment to balancing operational performance with environmental stewardship.

Through every initiative, HP Adhesives continues to scale with discernment and purpose, setting a quiet yet powerful example of progress shaped by vision and values. Through every initiative, HP Adhesives continues to scale with discernment and purpose, setting a quiet yet powerful example of progress shaped by vision and values.

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Corporate Snapshot

Bonding Success Across Generations

Incorporated in the 1980s, HP Adhesives Limited ('HP Adhesives' or 'the Company') has grown from a modest single-product operation into a distinguished manufacturer and distributor of high quality adhesives and sealants. Over the years, the Company has carefully broadened its portfolio, evolving into a trusted brand for the applicator community for a wide spectrum of applications across consumer segments.

HP Adhesives offers a comprehensive range of high-performance adhesive and sealant solutions engineered to address diverse and demanding application requirements. Its operations are anchored by a modern manufacturing facility in Khalapur, Raigad district, Maharashtra. With an annual capacity of approximately 16,800 metric tons, the manufacturing units seamlessly integrate scale with precision, efficiency, and consistently high quality.

The manufacturing facilities are equipped with latest equipment and robust quality control procedures in place to ensure safety and consistency. This strong manufacturing foundation enables the Company to address rising demand while retaining the agility and quality focus that define its operations.

Staying true to its philosophy of scaling up with purpose, HP Adhesives remains committed to building its business responsibly and advancing with deliberate intent.

VISION

To be a leading interior and exterior solutions Company.

MISSION

Keep providing innovative and high-quality products, encouraging environment and sustainable returns to our internal as well as external stakeholders.

Industries Served



Big Numbers

Years of Experience

37

National Presence

27 States and UTs

Product Categories

10

Installed Capacity

16,800 MTPA

Total Revenue (2024-25)

₹ 252.9 Crs

International Presence

18 Countries

Domestic Distributors

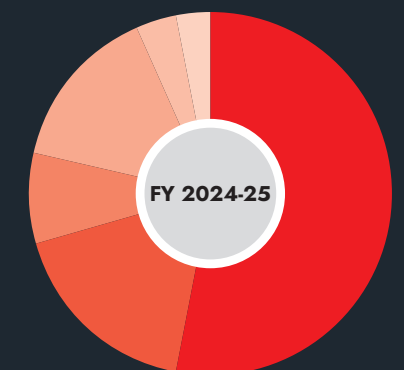
1,575 +

Product-Wise Revenue Break-Up of 2024-25

Product Category	Revenue^ (₹ in Lakhs)	% of Total Revenue
Solvent Cement	13,892	53.3
Silicone Sealants	4,574	17.5
Contact Adhesive and PVA Adhesives	2,049	7.9
Ball Valves and Tapes	3,824	14.7
New Products*	940	3.6
Others	789	3.0

*New products include MS Polymer Sealants, Epoxy Putty, Spray Paints and Cyanoacrylates

^Product-wise Revenue is before Discounts, schemes and Returns.



VALUES

Integrity

We follow our ingrained moral principles of honesty and integrity at every step.

Frugal

We follow a frugal mindset during our decision-making process.

Customer Centric

We give utmost priority to our customers across the globe by delivering value for money and the best quality.

Product Suite

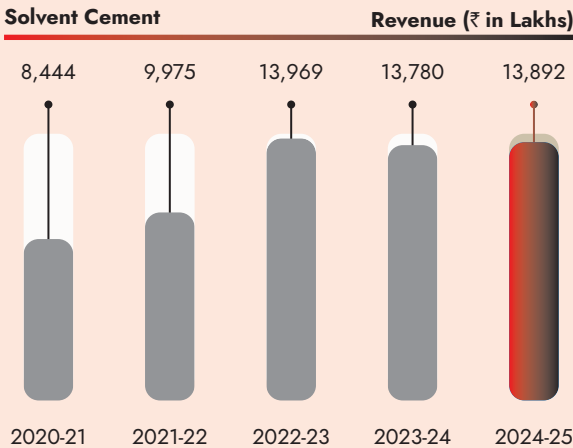
Products that Power Progress

HP Adhesives offers a thoughtfully diversified portfolio of high-performance adhesives and sealants, developed to meet the practical demands of modern industry and everyday life. The product range is engineered for dependable performance, user convenience, and long-lasting bonding across a wide variety of surfaces and materials.

Serving key sectors such as construction, plumbing, agriculture, automotive, footwear, and home improvement, the Company's solutions play a quiet but pivotal role in supporting essential infrastructure and consumer applications. With a continuous focus on innovation, HP Adhesives closely tracks and anticipates the evolving needs of its customers. New products are developed and launched with deliberate care, reflecting a blend of deep market understanding and specialised technical expertise.

Solvent Cement

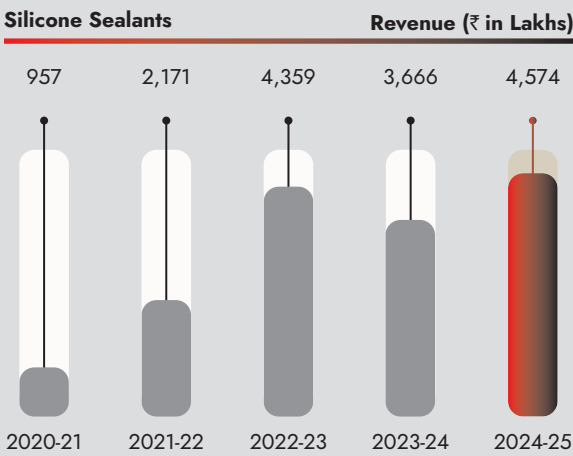
The Solvent Cement is the ultimate bonding agent for plumbing and piping systems. Formulated to deliver strong, durable, and leak-proof connections, it is the preferred choice for both professional plumbers and discerning Do it Yourself users. With its fast-setting characteristics and proven performance, it has become an essential solution for PVC, CPVC, and uPVC pipes and fittings. Over the last couple of years, the Company has witnessed flat value growth; however, volumes have grown year-on-year despite extremely challenging industry dynamics (in the PVC and cPVC pipes industry). While this led to lower realisations, profitability for the category was sustained.



Silicone Sealants

The range of silicone sealants, marketed under the 'Strong Seal' brand, is designed to meet a wide spectrum of requirements with precision and reliability. From routine household sealing tasks to demanding industrial applications, these sealants offer consistently high performance and lasting results.

General Purpose Versatile solutions for routine sealing.	Glass and Aquarium Perfect for glass installations and aquarium assembly.	7,400 Neutral Silicone Unmatched adhesion and flexibility across substrates.
7,890 Weather Sealant A champion against outdoor elements.	Acrylic Sealant Paintable and ideal for interior and exterior applications.	Heat Resistant Sealant Ideal for all high temperature sealing applications.

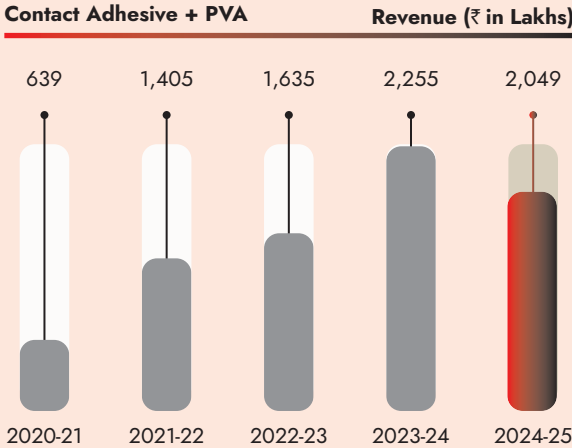


Sealants category has picked up well after a drop in 2023-24. This category is expected to continue to do well in the foreseeable future.



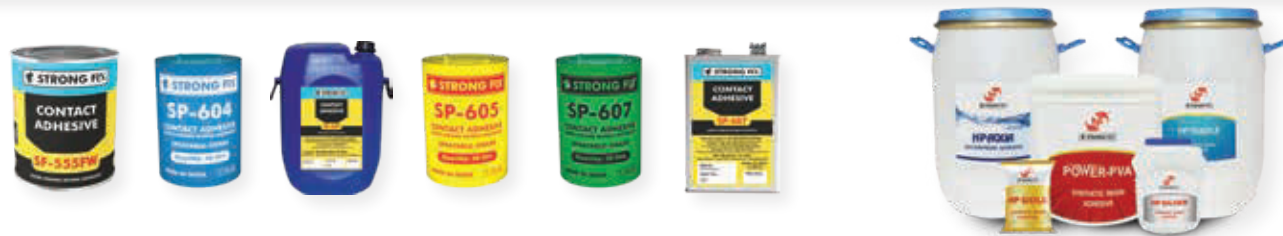
Contact Adhesive

HP Adhesives' brushable and sprayable contact adhesives provide highly versatile bonding solutions widely used across industries such as furniture, foam and furnishings, automotive and footwear for bonding the substrates.



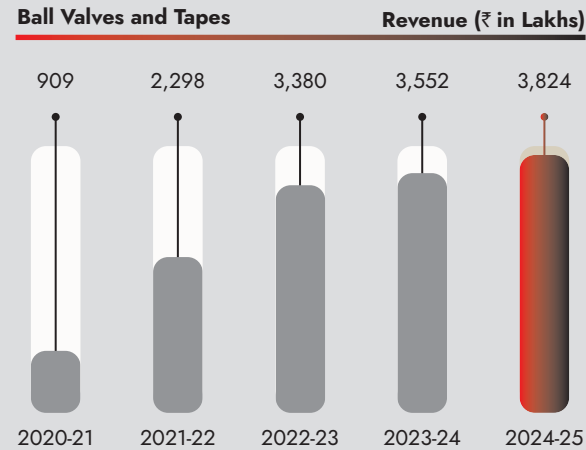
White Glue/PVA

Polyvinyl Acetate (PVA) adhesives, commonly referred to as white glue or furniture glue, are water-based solutions extensively used across households and joineries. Renowned for their dependable bonding strength and user-friendly application, they are primarily employed in woodworking, carpentry, and furniture manufacturing.



Ball Valves

HP Adhesives offers a high-quality range of ball valves engineered for use in PVC and CPVC plumbing systems, delivering accurate and dependable fluid flow control. The product portfolio includes multiple variants compatible with different pressure ratings and pipe dimensions, effectively serving a broad range of application needs.



Tapes

The Company's product portfolio primarily includes PTFE tapes also known as Teflon tapes, crafted for efficient use in plumbing systems.

Cyanoacrylates

Under the STRONG 'n' QUIK brand, HP Adhesives has 2 product offerings under cyanoacrylate category – Regular and Industrial grade.

- The General purpose Regular grade is a high strength, top fast setting adhesive which can be used for virtually any type of fastening job. It is especially designed for bonding and repairing.
- The General purpose Industrial grade cyanoacrylate has fast setting, high flow ability, and good penetration characteristics. It has been specially formulated to achieve the strongest possible bond between well-mated, non-porous surfaces, such as rubber, metals, and plastics, among others. It is a one-component, solvent-free system and does not require the use of a catalyst, heat or clamps.



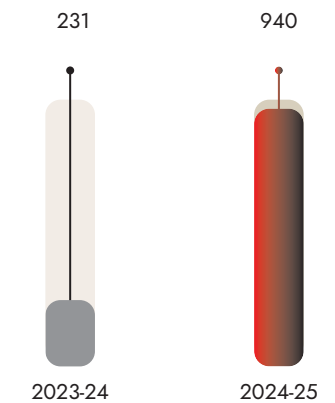
MS Polymer Sealants

HP Adhesives has developed MS Polymer-based sealants for high end applications as follows:

- Nail free: Sealing and Bonding in the building & construction industry
- Multipurpose: Sealing and bonding solutions for bus body applications



New (MS, Epoxy, Spray Paint and Cyano) Revenue (₹ in Lakhs)



New Product Offerings

Spray Paints

HP Adhesives' fast-drying, multi-purpose spray paint provides an even, high-quality finish on a wide variety of surfaces. Designed for both interior and exterior use, it offers reliable performance and durability, making it an ideal choice for decorative as well as protective applications.



Epoxy Putty

Under the StrongTite brand, HP Adhesives offers a comprehensive range of epoxy putties tailored for diverse repair and maintenance needs:

- StrongTite General Purpose Epoxy Putty: Versatile solutions suitable for a wide variety of general repair and maintenance applications.
- StrongTite Sanitary Epoxy Putty: Specially formulated for plumbing repairs and sanitary installations.
- StrongTite Fast Epoxy Putty: Features rapid-setting properties, making it ideal for quick and time-sensitive repairs.



Ancillary Products

HP Adhesives complements its products with innovative ancillary solutions:



PU Foam

For insulation and filling gaps.

Rubber Lubricants

Ensuring smooth operations in various mechanisms.

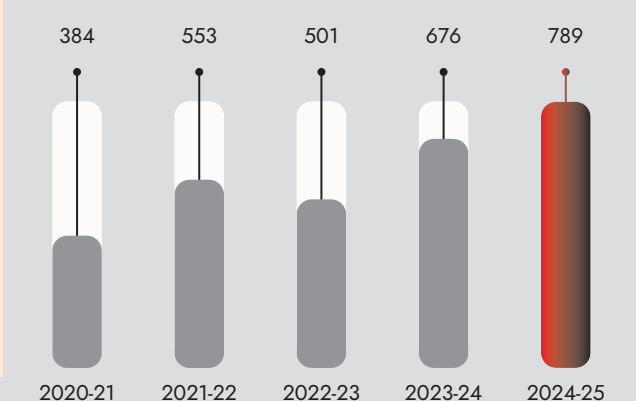
Liquid Sealants

Reliable sealing for critical applications.

Shellac

A heritage product with a modern touch.

Other Products Revenue (₹ in Lakhs)



Q&A with the Management

Scaling Up with Purpose

Q&A This year's theme is 'Scaling Up with Purpose'. How would you describe HP Adhesives' approach to growth in 2024-25?

Growth, for HP Adhesives, has never been about speed alone. It is about clarity of direction and quality of execution. The year 2024-25 was a period of measured and deliberate progress; a year in which we expanded strategically, refined our focus, and stayed true to our values. Whether it was venturing into new product categories, deepening market presence, strengthening our talent base, or building long-term capabilities, every step underscored our unwavering commitment to purposeful growth.

Q&A How would you describe the broader economic environment during the year?

We operated this year in an environment marked by uneven global recovery. In 2024, the global economy expanded at a modest pace of 3.3%, but lost momentum as it moved into 2025. Forecasts were revised downward to 2.8%, driven by rising trade barriers, persistent inflation across major markets, and ongoing geopolitical tensions, particularly in Eastern Europe and parts of the Middle East. Volatility in commodity prices and the sluggish rebound in several advanced economies added to the complexity.

With respect to India, the country became the world's fourth-largest economy in 2025, driven by strong macroeconomic fundamentals, consistent policy reforms, and resilient consumer demand. Real GDP growth stood at 6.5%, fuelled by robust exports, stronger industrial output, and stable inflation. The government's focus on infrastructure development, domestic manufacturing, and rural

housing generated positive spill-over effects across the value chain. These tailwinds supported overall economy, though it had its own share of challenges. Specifically, industries like PVC and cPVC pipes and fittings, which is a key driver of growth for our solvent cement business, had a challenging year.

Q&A What were some key strategic developments during the year at HP Adhesives?

While the macro environment set the tone, much of our progress this year stemmed from deliberate internal recalibration and disciplined long-term planning. We focused not just on growing volumes, but on building the right capabilities to enable sustained value creation across our ecosystem.

A key development during the year was the incorporation of Unitybond Solutions Private Limited in April 2024, which later became a wholly owned subsidiary. This entity was established to enhance our presence in the manufacturing, trading, and distribution of adhesives and sealants. By July, following a strategic subscription to additional equity shares, Unitybond was fully integrated into the HP Adhesives fold. This integration equips us with greater operational flexibility, additional capacity in targeted product segments, and the ability to serve emerging customer segments with sharper agility.

We also intensified our efforts to widen our physical and operational reach. We continue to extend our presence through increasing distributor network across metro, non-metro and semi-urban areas, which continue to show healthy demand for building materials and repair solutions. In doing so, we leveraged proven models from established markets while adapting our

approach to local requirements and distributor strengths. This expansion was supported by a larger, better-trained sales team equipped to provide technical support and foster deeper engagement across the value chain.

This year, we also broadened our range with the introduction of epoxy adhesives and cyanoacrylates. The new products serve diverse applications in construction repair, home improvement, and maintenance work, areas that align well with our existing distribution structure.

Q&A How did the Company perform financially in 2024-25?

We ended 2024-25 with our highest-ever revenue from operations, a reflection of improved volume growth, wider market access, and stronger channel throughput. Revenue stood at ₹ 25,287.2 Lakhs in FY 2024-25, compared to ₹ 23,601.78 Lakhs in the previous year, representing a year-on-year growth of 7.1%. Profit Before Tax decreased to ₹ 2,372.84 Lakhs from ₹ 2,789.26 Lakhs in 2023-24, while Profit After Tax reached ₹ 1,824.4 Lakhs, as compared to ₹ 2,056.81 Lakhs in the previous period.

Our performance remained stable despite challenging demand scenario, volatile raw material prices and evolving competitive dynamics. This resilience was driven by disciplined cost management, improved operational efficiencies, and a product mix that increasingly emphasises higher-margin categories. Based on the year's outcome, the Board has declared a dividend of ₹ 0.40 per equity share, reflecting our sustained commitment to shareholder value while prudently retaining capital to fund future growth initiatives.

Q&A How is HP Adhesives progressing on sustainability and people-focussed initiatives?

In line with our sustainability agenda, we commissioned solar panel installations at our second manufacturing plant, a step that will significantly reduce our energy footprint while delivering long-term cost savings. In our community-focused efforts, we continued to focus on education, healthcare, and holistic community development. Our aim is to create value that extends beyond the walls of our factories and offices.

Internally, we have taken an approval for Employee Stock Option Scheme -2024, designed to enhance retention and foster long-term alignment between our people and the Company's growth journey. This initiative is more than a financial incentive; it represents a clear acknowledgement of the contribution each employee makes in shaping our future direction.

Q&A What is the outlook for HP Adhesives going forward?

As we enter new markets, launch new products, and expand our reach, we are equally focussed on strengthening the systems, processes, and governance mechanisms that underpin sustainable execution. Our plans include targeted investments in brand development, greater digitisation of supply chain interfaces, and the pursuit of adjacent product lines that complement our core capabilities. Innovation, both incremental and transformative, will remain a central priority.

The long term outlook for our end-use industries remains healthy. Continued government spending on infrastructure, sanitation, and urban housing is expected to drive sustained

demand for adhesives and sealants. Additionally, private consumption in Tier II and III cities continues to grow, supported by deeper internet penetration and evolving aspirations. We are aligning our strategies to anticipate these shifts and serve our customers with speed, precision, and relevance.

Q&A Any final thoughts for shareholders and stakeholders?

We extend our heartfelt gratitude to all our shareholders, customers, employees, and business partners. Your trust and continued support enable us to build with purpose, scale with integrity, and grow with conviction. Together, we look forward to shaping a future defined not just by scale, but by meaning.

Our performance remained stable despite challenging demand scenario, volatile raw material prices and evolving competitive dynamics. This resilience was driven by disciplined cost management, improved operational efficiencies, and a product mix that increasingly emphasises higher-margin categories.

Ms. Nidhi Haresh Motwani
Executive Director

Ms. Anjana Haresh Motwani
Executive Director & Chairperson

Mr. Karan Haresh Motwani
Managing Director



Manufacturing Footprint

Powering Production with Capacity and Capability

HP Adhesives operates two strategically located manufacturing plants adjacent to each other in Village Narangi, Taluka Khalapur, near Khopoli, in the Raigad district of Maharashtra. These facilities represent the Company's deep commitment to quality, operational excellence, and sustainable growth.

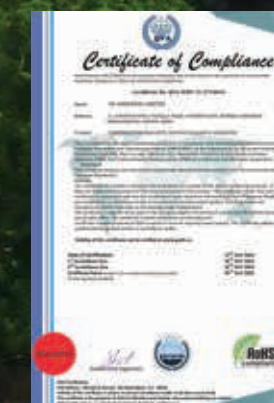
The location offers distinct logistical advantages, ensuring efficient access to critical raw materials and streamlined, cost-effective distribution across India. Its proximity to Jawaharlal Nehru Port Trust (JNPT), one of the country's leading maritime gateways, further strengthens the Company's export capabilities, enabling faster and more reliable international shipments.

Combined Capacity

16,800 MTPA

Certifications that Speak Quality

Every product that leaves the Company's manufacturing facilities embodies HP Adhesives' promise of excellence, underscored by internationally recognised certifications.



Distribution Network

A Distribution Network That Bonds Beyond Borders

HP Adhesives has built a robust and consistently expanding distribution network that remains a cornerstone of its growth in both domestic and international markets. Through a methodical and sustained market

development strategy, the Company has deepened its presence year after year, building enduring relationships with customers across diverse industries. This widespread reach has elevated HP Adhesives'

visibility and position in the adhesives and sealants sector, enabling it to respond quickly to market requirements while expanding its footprint with focus and intent.

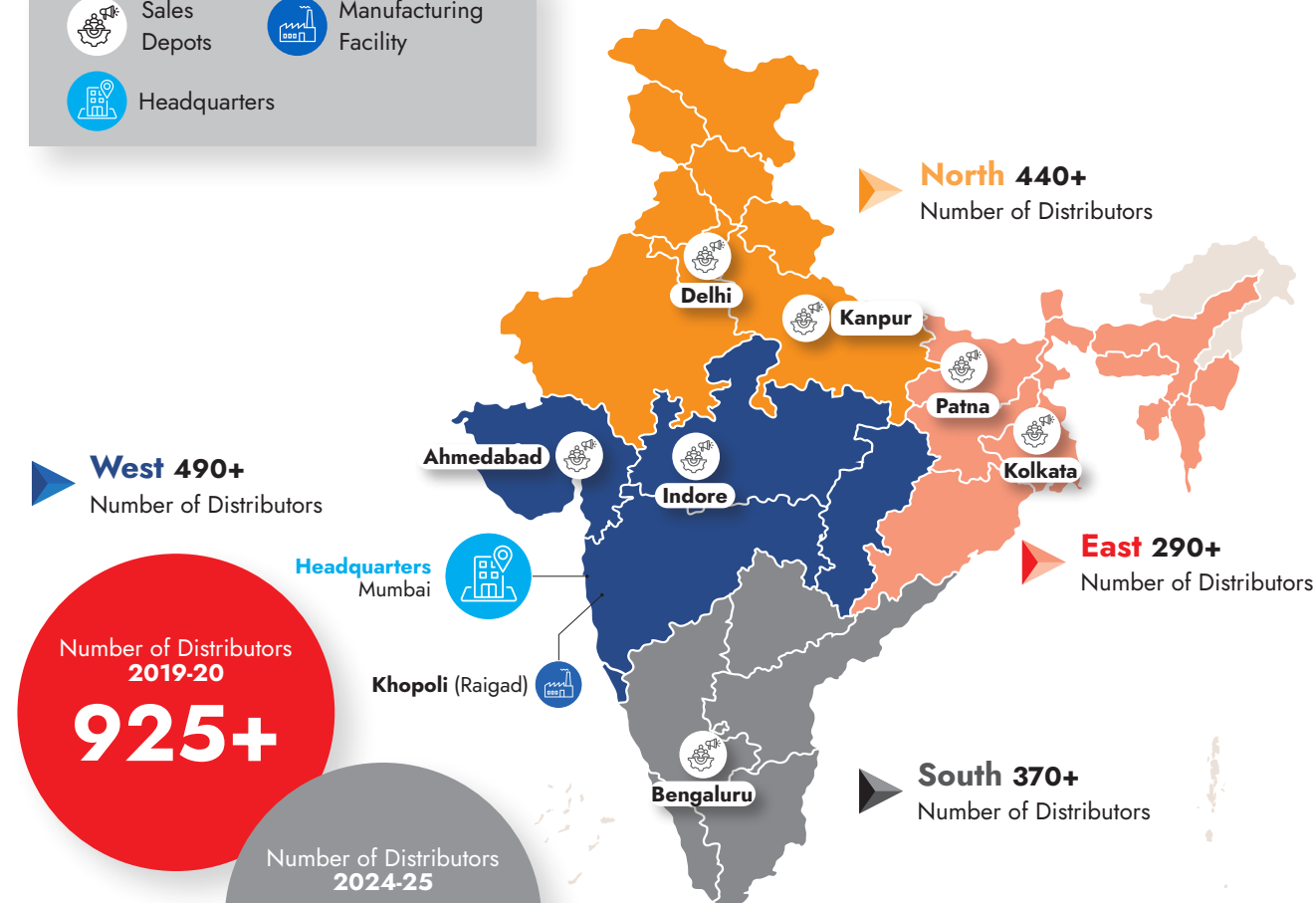
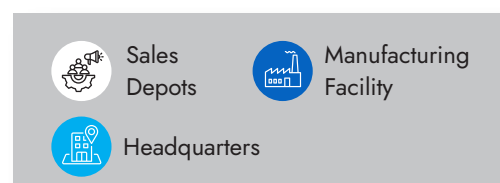
Nationwide Coverage

With a presence across 27 states and Union Territories, HP Adhesives connects with customers in every corner of India. The Company's extensive network of more than 1,575 distributors across the country ensures that its products are easily accessible, meeting the demands of over 100,000 dealers nationwide. This vast reach is supported by seven strategically located depots that facilitate seamless delivery and service.

Global Footprint

Alongside its strong domestic presence, HP Adhesives expanded its reach in 2024-25 by serving customers across 18 countries, demonstrating its ability to deliver efficiency and reliability in global markets. Exports turnover increased year-on-year and the Company is excited about the prospects in the coming years as well.

Through its robust and growing distribution network, the Company ensures that its high-quality products are just a step away, fostering trust and building lasting connections with customers worldwide.



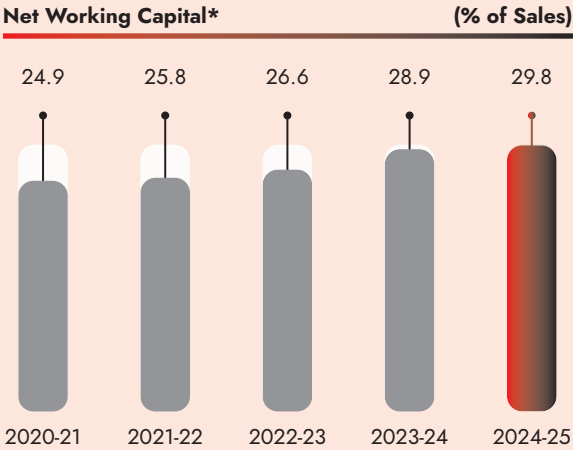
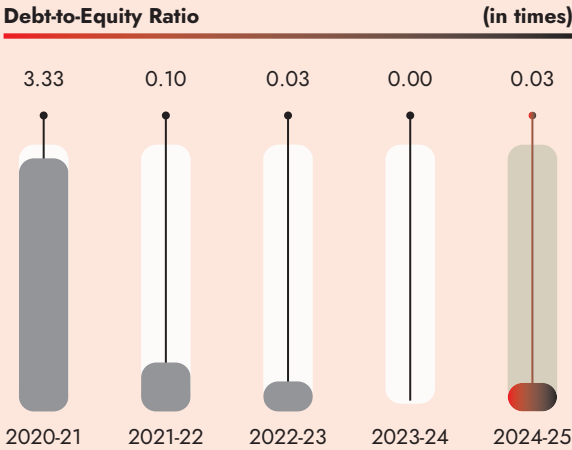
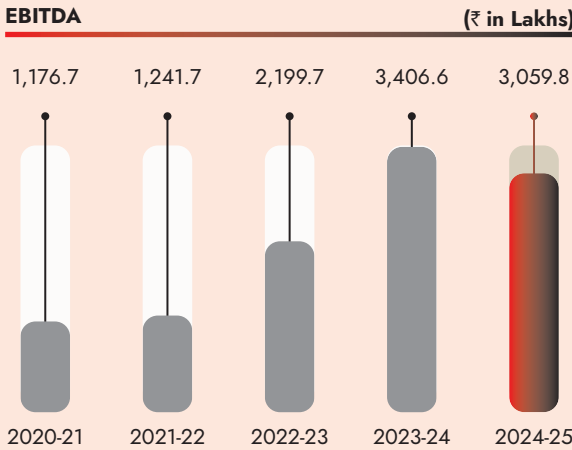
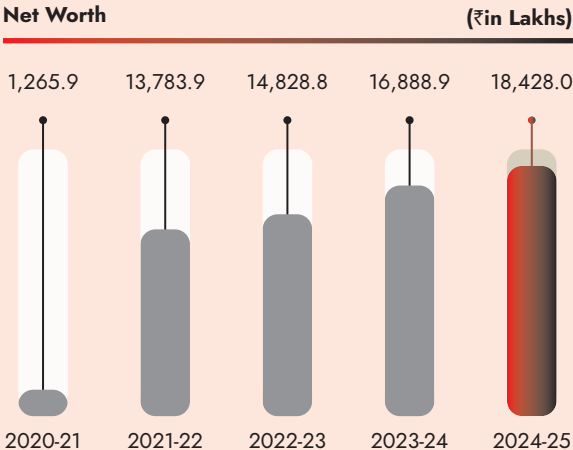
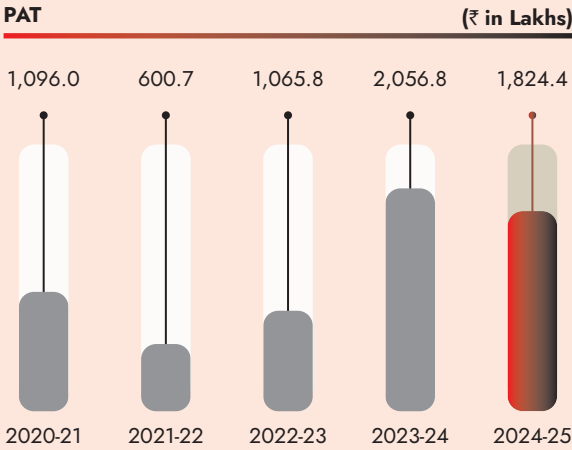
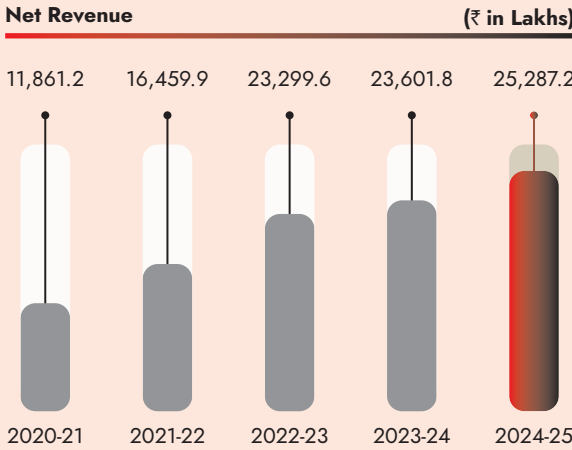
Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

Financials

Tracking Growth through Numbers

In 2024-25, HP Adhesives achieved its highest-ever revenue, marking a significant milestone in its pursuit of purposeful growth. This performance reflects the momentum generated by product portfolio diversification, deeper market penetration, and the reinforcement of its distribution network.

Though profitability declined over the previous year, the Company is confident of improving prospects as 2024-25 was marked by a measured balance between growth-driven investments in sales team, distribution expansion and product addition alongwith operational discipline. Strategic focus on increased manufacturing capacity, new product development, and constant focus on improving operational efficiency has established a strong platform for the Company's next phase of expansion.



Debt-to-equity does not consider Cash and bank balances including Bank FDs and investments in fixed income securities to the tune of INR 42.4 cr as of 31st March 2025

*Net working capital = Inventory + Trade receivables - Trade payables

Growth Strategies

Scaling New Heights

HP Adhesives continues to invest in strategic initiatives, to ensure its position as one of the prominent players in adhesives and sealants industry. The Company's growth strategies are a seamless blend of business expansion, product diversification and customer centricity, driving sustainable value for all stakeholders and meeting the evolving demands of the global marketplace.



Diversifying Product Categories

As part of its long-term growth strategy, the Company continues to introduce new product categories to cater to a broader base of end-users. This initiative not only enhances engagement with existing distributors by expanding their product basket but also facilitates entry into new segments and untapped geographies. In 2024-25, the Company strengthened its portfolio with the introduction of epoxy adhesives and cyanoacrylates. These additions have widened its relevance across home improvement, construction, and repair applications, while complementing its established range of products.



Expanding Distribution Network

Over the years, HP Adhesives has steadily expanded its Pan-India distribution footprint and continues to pursue this strategy actively. With a strong brand reputation and a growing product portfolio, the Company is well-positioned to onboard new distributors while ensuring that all partners meet strict criteria regarding territory allocation, financial strength, and market standing. Each distributor relationship is carefully nurtured to maintain service quality and channel integrity. By the end of 2024-25, the Company had a network of over 1,575+ dealers across the country, strengthening its presence in both urban as well as semi-urban and rural markets.



Strengthening Brand Equity

The Company has made sustained efforts to build and promote its core brands, 'Strong Weld' and 'HP,' while also introducing new category-specific brands such as 'Strong Seal' for sealants and 'Strong Fix' for PVA and synthetic rubber adhesives. Initiatives such as dealer and plumber meets have supported brand visibility, though a formal branding policy is yet to be institutionalised. Going forward, the Company plans to intensify its marketing efforts, particularly for emerging product lines, to further enhance brand recall and consumer trust.



Capacity Expansion at Manufacturing Facility

To support future growth and ensure greater market coverage, the Company continues to expand capacity at its manufacturing facility through a combination of additional plant and equipment as well as re-calibration of equipment and improvisation of manufacturing processes resulting in enhanced capacity availability. This capex is financed through available IPO proceeds as well as internal accruals. The enhanced capacity ensures that the Company is always in a position to meet rising demand across product lines while maintaining operational efficiency.



Augmenting Sales Force for Market Penetration

The Company is focussed on deepening its presence in domestic and international markets, by expanding its sales team. As of 31st March, 2025, the sales team comprised more than 300 members, including a structured hierarchy of VP-sales, DGMs, RSMs, area sales managers, and territory executives.



Driving Demand through Secondary Sales Promotions as well as End-User Incentives

Recognising the pivotal role of appliers, plumbers, carpenters, masons, and glazing contractors in influencing product preference, the Company runs targeted incentive programmes to drive loyalty. These include gifting schemes on select products and performance-based rewards. Distributors and dealers are similarly incentivised based on purchase volumes and payment behaviour, strengthening the overall demand ecosystem as well as aligning the end goal of the Company's channel partners – to drive the growth of the organisation.



Leveraging Automation and Technology

To drive efficiency and support scalable growth, the Company is integrating automation and digital technologies across its operations. From manufacturing and packaging systems that enhance productivity and reduce human error to digital tools that streamline processes and improve collaboration between functions, these investments are enabling the Company to operate with greater accuracy, cost efficiency, and speed.

Operating Environment

Navigating the External Landscape

HP Adhesives operates in a dynamic and evolving business environment influenced by macroeconomic trends, industry-specific developments, and regulatory shifts. The adhesives and sealants sector continues to experience steady demand, underpinned by infrastructure growth, housing development, and an increasing consumer focus on quality, performance, and safety.

Strong Market Growth and Sectoral Drivers

The Indian adhesives market is projected to grow from USD 2.87 bn in 2024 to approximately USD 3.76 bn by 2028, reflecting a robust CAGR of 6.98% over the forecast period. Key growth sectors include construction (urban infrastructure, housing, smart cities), automotive manufacturing (including electric vehicles), packaging, and electronics. Government-led initiatives such as the National Infrastructure Pipeline and the rapid expansion of online retail are further accelerating demand for advanced, high-performance bonding solutions across both industrial and consumer applications.

(Source: <https://www.persistencemarketresearch.com/market-research/india-adhesives-and-sealants-market.asp>
<https://www.imarcgroup.com/india-adhesives-market>
<https://www.gmiresearch.com/report/india-adhesives-and-sealants-market/>)

India's Urbanisation Drive

India is witnessing accelerated urban transformation, with the Union Budget 2025-26 placing strong emphasis on urban development through initiatives such as PM Awas Yojana (Urban) 2.0, aiming to build 3 Crs new homes. Strategic focus areas include affordable housing, the adoption of rooftop solar solutions, enhanced flood resilience, and the modernisation of digital land records. Urban infrastructure spending is projected to more than double by 2028, expanding at a CAGR of 10-15%, supported by robust public policy measures and increasing private sector investment across transport, utilities, and smart city projects.

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2036041>)

India's End-User Sector Growth and Raw Material Dynamics

India's key end-user sectors have steadily expanded in 2024-25, with industrial activity expected to have grown by 6.2%, driven by construction and utilities on the back of strong infrastructure momentum. The construction, infrastructure, housing, and automotive sectors collectively represent a multi-trillion-dollar opportunity: the construction market is estimated at approximately USD 1.21 tn in 2025, infrastructure at around USD 190.7 bn, and automotive between USD 140-160 bn. Housing forms a major subsegment within construction, supported by government programmes aimed at delivering millions of affordable homes. HP Adhesives is well-positioned to capitalise on this growth, as expansion across these industries directly fuels demand for its adhesives and sealants, which play a critical role in plumbing, flooring, insulation, sanitary installations, and lightweight automotive assemblies. With rising construction and infrastructure investments, ongoing urbanisation, and a growing automotive market, HP Adhesives' comprehensive product portfolio is set to become increasingly integral to delivering efficient, durable, and innovative building and manufacturing solutions, creating a strong foundation for sustained growth in 2025 and beyond.

(Source: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2097921>

<https://www.india-briefing.com/doing-business-guide/india/sector-insights/india-s-outlook-for-2024-25-key-growth-areas-and-investment-prospects>

<https://www.italpres.com/aluminium-die-casting-news/foundry-raw-material-prices-2024>

<https://yeserchem.com/navigating-volatile-raw-material-prices-strategies-for-home-care-and-personal-care-manufacturers/>)

HP Adhesives' Strategic Position

As a country, India is expected to continue its growth momentum though there will be external headwinds in the form of geopolitical tensions and macro developments affecting foreign currency fluctuations and short-term demand setbacks. Inherently, India is well positioned for sustainable growth on account of various factors like supportive government policies, favourable demographic set up, rising GDP per capita leading to increasing disposable income and awareness and willingness to improve the standard of living with communities and homes. This augurs well for building materials industry, including HP Adhesives. With the rise in demand for adhesives across various sectors, HP Adhesives is adopting a deliberate and well-structured approach to address evolving industry needs and market trends. The Company remains focussed on innovation and the introduction of new product categories tailored to the specific requirements of growing sectors such as construction, infra, automotive and home improvement.

Additionally, to meet increasing demand, HP Adhesives is continuously investing in expanding manufacturing capacity as well as optimising supply chain processes by opening up new depots. This ensures timely delivery and scalability to serve both domestic and international markets effectively.

The Company is actively expanding its market footprint, both domestically and internationally. This includes targeting new geographical markets with significant growth potential and strengthening its presence in existing ones. Complementing this expansion is a dedicated effort to build and nurture relationships with dealers and distributors, increasing the distribution network reach and improving service levels to end customers.

Additionally, HP Adhesives has invested significantly in expanding its sales team over last 3-4 years, including 2024-25, reflecting its visibility of aggressive growth momentum and commitment to deepening market penetration and customer engagement.

Board of Directors

Leadership that Powers Growth

The Board of Directors (BoD) at HP Adhesives comprises a distinguished group of experienced professionals who bring complementary expertise and strategic insight to the Company. Together, they provide the leadership and oversight that guide HP Adhesives' growth agenda, sustainable initiatives, and focus on operational excellence. With decades of collective experience across varied industries, the Board ensures that the Company remains aligned with its long-term objectives while upholding the highest standards of governance and performance discipline.



Ms. Anjana Haresh Motwani
Executive Director & Chairperson

With over 40 years of invaluable experience in the adhesives industry, Ms. Anjana Haresh Motwani is the driving force behind HP Adhesives' exceptional growth and success. As the Executive Director and Chairperson, she has been instrumental in shaping the Company's vision and strategies. Her journey began in 1979 when she founded Hindustan Plastics, a sole proprietorship for manufacturing solvent cement, which later evolved into HP International. Ms. Motwani's leadership and foresight have paved the way for the Company's transformation, making her a cornerstone of HP Adhesives' success. Her expertise in business management and export trade further solidifies her role as a key architect of the Company's continuous evolution.



Mr. Karan Haresh Motwani
Managing Director

A catalyst for growth and innovation, Mr. Karan Haresh Motwani serves as the Managing Director of HP Adhesives. With a Bachelor's degree in Management Studies from the prestigious Narsee Monjee Institute of Management Studies and a Postgraduate Programme from S.P. Jain Institute of Management and Research, Mr. Motwani's academic foundation is complemented by his visionary approach to business. Since joining the Company in 2007, he has been at the forefront of expanding its product portfolio and distribution network. His strategic leadership and commitment to execution have significantly contributed to HP Adhesives' impressive market positioning and robust growth trajectory.



Ms. Nidhi Haresh Motwani
Executive Director

An integral part of HP Adhesives' leadership team, Ms. Nidhi Haresh Motwani brings a wealth of knowledge and innovation to her role as Executive Director. With a Bachelor's degree in Business Administration from Narsee Monjee Institute of Management Studies and a Master's degree in Global Business from S.P. Jain School of Global Management, Ms. Motwani's expertise spans operations, new projects, and product innovation. Since joining the Company in 2016, she has been pivotal in driving operational efficiencies and scaling production capacities as well as new product development. Her leadership in launching and growing product categories like Silicone Sealants, PVA Adhesives, and Rubber Adhesives has played a vital role in HP Adhesives' success.



Mr. Rajendra Kumar Jain
Non-Executive and Independent Director

With a distinguished career in business administration, Mr. Rajendra Kumar Jain brings a wealth of governance and legal expertise to the HP Adhesives Board. A fellow member of The Institute of Company Secretaries of India and a law graduate, Mr. Jain's experience spans over 18 years as a practicing Company Secretary. His role as the Secretary General of the Mewar Chamber of Commerce & Industry further underscores his leadership in the business community. Since joining the Board in 2021, Mr. Jain's expertise has contributed to strengthening corporate governance practices at HP Adhesives, ensuring transparency and accountability at all levels.



Mr. Surendra Kumar Mehta
Non-Executive and Independent Director

Mr. Surendra Kumar Mehta, a Chartered Accountant and Company Secretary, brings over three decades of cross-functional experience to the HP Adhesives Board. His expertise spans manufacturing, service, and IT industries, having held notable roles as Head of Business Excellence at ACC Limited, Vice President of Finance at iGATE, and Chief Financial Officer at IGE (India) Limited. Mr. Mehta's broad experience in corporate strategy and finance adds invaluable depth to the Company's decision-making processes. Since 2021, he has played an instrumental role in refining HP Adhesives' financial strategies, ensuring sustainable growth and financial health.



Mr. Ajeet Anant Walavalkar
Non-Executive and Independent Director

With a career spanning 37 years, Mr. Ajeet Anant Walavalkar brings a wealth of experience in international trade and corporate development to HP Adhesives. Holding a Bachelor's degree in Electrical Engineering, Mr. Walavalkar has held significant leadership positions, including Executive Director at Morris Line Engineering and Chief Operating Officer at Bahwan Engineering Group, Oman. His extensive expertise in global operations and market development has been key in steering HP Adhesives towards greater international expansion. Since joining the Board in 2021, Mr. Walavalkar has played a pivotal role in shaping the Company's global growth strategy.

Awards

Celebrating Success



In 2024-25, HP Adhesives was honored with the Best Family Business Award – Empowered by Woman, which was accepted by the Company's Executive Director & Chairperson, Mrs. Anjana Haresh Motwani, on behalf of HP Adhesives Limited. The award ceremony was organized by the Indian Family Business Awards, an initiative by Waterfield Advisors and Moneycontrol, with PwC India as the process partner. Dedicated to celebrating India's vibrant family business community, IFBA prides itself on a purely meritocratic process with no nomination fee. The awards were judged by an esteemed jury panel and culminated in an exclusive, invite-only event attended by UHNIs and prominent political figures.

Management Discussion and Analysis

Global Economy

In 2024, the global economy expanded by 3.3%, demonstrating a measure of resilience despite enduring headwinds. However, the overall momentum remained tepid, weighed down by uncertainty surrounding policy direction. This ambiguity largely arose from escalating geopolitical tensions, trade disputes, and the proliferation of protectionist measures, all of which undermined business confidence and dampened investment activity.

Exacerbating these challenges, central banks maintained elevated interest rates in an effort to contain inflation, a strategy that further curtailed borrowing and moderated economic expansion. Structural impediments such as subdued investment levels, sluggish productivity gains, and elevated debt burdens, particularly in low-income economies, continued to obstruct a broad-based recovery. Additional pressures emerged from labour market mismatches and a slowdown in key emerging economies, notably China, which collectively intensified concerns over global growth prospects.

As we move through 2025, the global economic landscape is undergoing a recalibration. Countries are

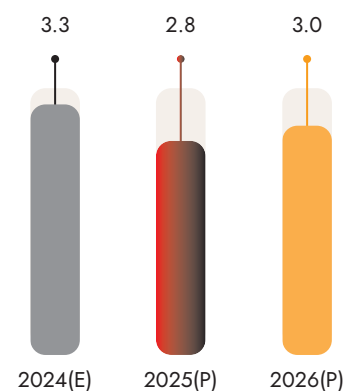
recalibrating their policy agendas in response to intensifying geopolitical strains and rising economic pressures, potentially paving the way for significant shifts in direction.

One of the major disruptions in 2024 came from the introduction of sweeping tariff measures by the United States, followed by retaliatory moves from key trading partners. This escalation triggered a sharp increase in global tariff levels, disrupting international trade flows and exerting further downward pressure on growth. The swift and unpredictable evolution of these policy changes has exacerbated economic uncertainty, rendering accurate forecasting increasingly challenging.

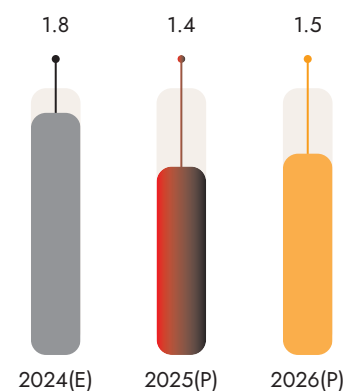
Against this backdrop, global headline inflation is now expected to decline more gradually than anticipated in January 2025, easing to 4.3% in 2025 and 3.6% in 2026. While inflation projections have been revised upward for advanced economies, these increases are partially counterbalanced by downward adjustments across several emerging markets, offering a nuanced yet cautiously stabilising outlook.

GDP Growth Projections (in %)

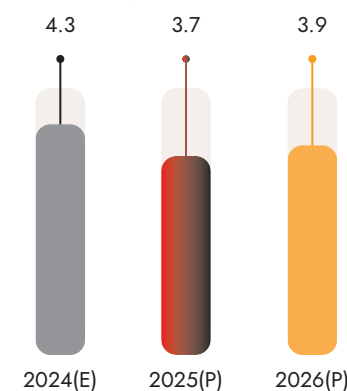
Global Economy



Advanced Economies



Emerging Markets and Developing Economies



E Estimate P Projected

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>)

Outlook

The IMF's World Economic Outlook, released in April 2025, projects global economic growth of 2.8% for 2025, increasing slightly to 3.0% in 2026. This marks a modest revision from earlier projections and reflects a tone of cautious optimism. Growth is being underpinned by moderating inflation, improving financial market conditions, and sustained demand, although the pace of recovery continues to vary across regions.

Advanced economies, especially the US, continue to demonstrate strong resilience. In contrast, tighter financial conditions are presenting headwinds for certain emerging markets. Inflation has declined appreciably in several regions, resulting in higher real incomes and a boost in consumer sentiment, although the degree of improvement remains uneven across economies. Despite lingering uncertainties and divergent national trajectories, the global economy is maintaining a stable growth path. This measured progress is being fuelled by resilience, adaptability, and a continuation of forward momentum.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2025/04/22/world-economic-outlook-april-2025>)

Indian Economy

India continues to follow a strong growth trajectory, with GDP expected to grow at 6.5% in FY 2024-25, positioning it ahead of many global counterparts. This sustained momentum highlights the resilience of the Indian economy amid a complex global environment.

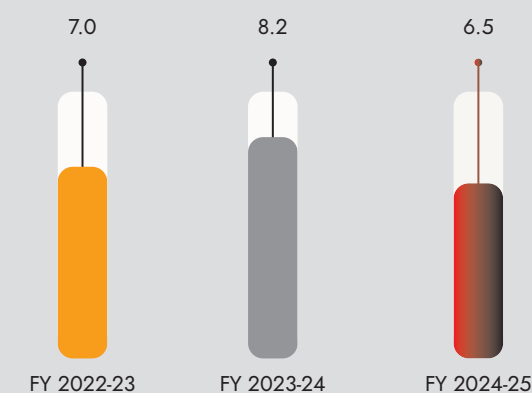
On the inflation front, FY 2024-25 witnessed a phase of steady and encouraging moderation. Following successive supply-side shocks in the post-pandemic period—ranging from the conflict in Ukraine to tightening global monetary conditions; India's headline Consumer Price Index (CPI) inflation averaged 5.4% in FY 2024-25, a significant decline from 6.7% in FY 2023-24. This downward trend can be attributed to a combination of prudent domestic policy measures and stabilising global commodity prices. Key government interventions, such as the timely release of food grain buffers, export restrictions on sensitive commodities, and efforts to maintain stable energy prices, were instrumental in containing inflationary pressures. Simultaneously, core inflation also eased, indicating declining input costs and a rebalancing of demand and supply across multiple sectors.

Structural reforms, technological innovation, and sustained infrastructure investments are collectively fuelling broad-based economic expansion. In parallel, targeted government programmes are helping to build a foundation for long-term sustainability. Labour market improvements, robust domestic consumption, and strong performance in agriculture and services are further reinforcing macroeconomic stability and enhancing investor confidence in India's growth outlook.

However, external and cyclical challenges remain. Weak global demand has weighed on manufacturing exports, while aggressive trade policies by major partners have added to external pressures. On the domestic front, an above-average monsoon, while beneficial for agriculture, temporarily disrupted activity in sectors such as mining, construction, and select manufacturing segments. Additionally, variations in the timing of major festivals between years have contributed to short-term fluctuations in production cycles and growth momentum.

Despite these challenges, the manufacturing sector continues to demonstrate resilience and sustained momentum. India's manufacturing Purchasing Managers' Index (PMI) stood at 56.3 in February 2025, down from 57.7 in January 2025, marking the slowest rate of expansion since October 2023. Nevertheless, the PMI remains well above the 50-mark, signalling continued growth within the sector. Expansion continues to be driven by robust domestic and international demand, rising employment levels, and improving supply chain dynamics, even as inflationary pressures persist. Investor sentiment towards manufacturing stocks remains optimistic, as reflected in the Nifty India Manufacturing Index, which posted a modest growth of 0.47% in March 2025, closing at 13,890.75 points. This positive trend was driven by improved corporate earnings, increased foreign investment, and technological advancements that helped manufacturers sustain profitability despite rising costs.

GDP Growth Trajectory (%)



Outlook

As India looks ahead to FY 2025-26, its economic outlook remains cautiously optimistic amid ongoing geopolitical uncertainties, trade disruptions, and the persistent risk of volatile commodity prices. On the home front, sustaining GDP growth will largely hinge on maintaining momentum in private sector investment, strengthening consumer confidence, and accelerating wage growth across the corporate sector. At the same time, rural demand is expected to strengthen as agriculture recovers, food inflation stabilises, and

overall macroeconomic conditions remain favourable.

To reinforce economic resilience over the medium term, India will need to enhance its global competitiveness by advancing structural reforms and streamlining regulatory processes at the grassroots level. Fostering a business-conducive environment will be critical, not only to shield the economy from external shocks but also to underpin long-term economic sustainability.

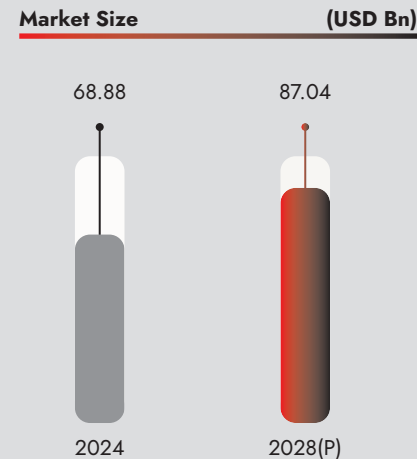
(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/Infographics%20English.pdf>
<https://www.india-briefing.com/news/india-manufacturing-tracker-2024-25-33968.html/>)

Global Adhesives Market

The adhesives market size has witnessed robust growth in recent years. It will expand from USD 68.88 bn in 2024 at a CAGR of 6.03% to USD 87.04 bn in 2028. Growth during the forecast period is expected to be driven by sustained demand from the automotive sector, rising consumption in the building and construction industry, rapid urbanisation, and increasing requirements across the packaging segment. Key trends shaping the market include the adoption of automation and advanced instrumentation technologies, integration of 3D vision systems, developments in rapid adhesive curing

techniques, implementation of ebeam technology, a heightened emphasis on product innovation, and the gradual incorporation of IoT-enabled solutions.

The adhesives market will continue to benefit from shifting industry preferences, such as the replacement of mechanical fasteners, greater usage in lightweight and electric vehicles, evolving packaging needs, and expansion of renewable energy and healthcare sectors. Continued innovation in adhesive formulations and increased automation in application methods will further support market growth.



(P Projected)
(source: <https://www.thebusinessresearchcompany.com/report/adhesives-global-market-report>)

Indian Adhesives Market

The Indian adhesives market is projected to grow from USD 2.87 bn in 2024 to approximately USD 3.76 bn by 2028, reflecting a robust CAGR of 6.98% over the forecast period. The market for Indian Adhesives is primarily being driven by accelerating industrialisation, large-scale infrastructure development, expansion in the automotive and packaging sectors, rising demand for eco-friendly adhesive solutions, increasing construction activity, continuous technological advancements, and supportive government initiatives aimed at promoting domestic manufacturing and sustainability.

In 2024, the packaging segment accounted for the largest share of the Indian adhesives market, commanding approximately 22-25% of the total market. This dominance is driven by the rapid expansion of the e-commerce, fast-moving consumer goods (FMCG), and food & beverage sectors. As consumer preferences shift towards ready-to-eat, processed, and conveniently packaged products, demand for high-performance adhesive technologies in flexible packaging and labelling applications has seen a marked increase.

The automotive industry is rapidly becoming a key catalyst for growth in the adhesives market, as manufacturers shift from conventional mechanical fasteners to advanced adhesive-based bonding technologies. This shift is particularly evident in the expanding passenger vehicle segment, where demand is rising for high-performance adhesives used in structural components, interiors, and vehicle assembly processes.

Adhesive consumption is witnessing strong momentum in the construction and furniture sectors, fuelled by rapid urbanisation and a surge in residential development. The furniture industry, which is projected to reach USD 5.47 bn by 2026, is emerging as a key contributor to the growing demand for wood adhesives, particularly in the production of modular furniture and interior applications. Government-led initiatives such as 'Housing for All' and the Smart Cities Mission are further accelerating the adoption of construction adhesives across infrastructure and real estate developments.

Simultaneously, the market is undergoing a notable transition towards eco-friendly adhesive

solutions. Manufacturers are increasingly focusing on formulations with reduced volatile organic compound (VOC) emissions, aligning with evolving environmental standards. Water-based adhesives are gaining popularity in woodworking and packaging applications due to their cost-effectiveness and improved sustainability profile.

Indian solvent cement market is directly linked to the dynamics of the Indian pipes and fittings market. While 2024-25 proved challenging for pipes industry due to PVC price volatility and a slowdown in government capital expenditure, especially in the pre-election period. Despite these headwinds, volume growth stayed positive, supported by ongoing initiatives such as the Jal Jeevan Mission, Smart Cities Mission, and AMRUT. Over the medium term, rising government spending, real estate development, and infrastructure upgrades are expected to fuel demand for PVC, CPVC, and UPVC pipes, and in turn, solvent cement.

(Source: <https://www.mordorintelligence.com/industry-reports/india-adhesives-market>)

Opportunities

Strong Growth Outlook for India's Plastic Pipes Market

India's plastic pipes market is witnessing robust expansion, driven by rapid urbanisation, infrastructure development, and modernisation in agriculture. Valued at USD 7.40 bn in 2025, the market is projected to more than double to USD 16.54 bn by 2031, registering a strong compound annual growth rate of 14.18%. This momentum is further supported by government initiatives such as the Smart Cities Mission, AMRUT, and PMKSY, which are stimulating demand across urban utilities and irrigation systems.

<https://www.techsciresearch.com/report/india-plastic-pipes-market/16656.html>

Booming Construction and Infrastructure

The Indian construction market is projected to reach ₹ 25.31 tn (approximately USD 1.21 tn) in 2025, growing at a steady annual rate of 11.2%. The sector has witnessed strong momentum in recent years, recording a CAGR of 14.2% between 2020 and 2024, and is expected to continue expanding at a CAGR of 8.8% from 2025 to 2029, reaching approximately ₹ 39.10 tn by 2029. This sustained growth is supported by rapid urbanisation, ongoing infrastructure development, and a series of government-backed initiatives, including affordable housing schemes and large-scale urban infrastructure programmes. India's urban population rose to an estimated 523 mn in 2023, marking a year-on-year growth of 2.27%. According to projections for the 2024 Census, urban dwellers are expected to account for 35–37% of the country's total population. This expanding urban footprint is driving robust demand for residential housing, commercial real estate, and large-scale infrastructure development across



the nation. Adhesives play a critical role in this sector, with wide-ranging applications in building construction, woodworking, flooring, panelling, and insulation. They offer superior bonding strength, faster installation, and enhanced cost efficiency when compared to traditional fastening methods.

(Source: <https://www.businesswire.com/news/home/20250506976475/en/India-Construction-Industry-Databook-2025-Forecasted-8.8-CAGR-During-2025-2029-with-Indian-Construction-Market-Set-to-Reach-INR-39.10-Trillion-by-2029-ResearchAndMarkets.com>)

[https://sbi.co.in/documents/13958/0/24092024-Precursor+to+census+2024+\(1\).pdf/2dd4a183-9c43-3ed8-5cfd-514853be84b6?i=1727173401480](https://sbi.co.in/documents/13958/0/24092024-Precursor+to+census+2024+(1).pdf/2dd4a183-9c43-3ed8-5cfd-514853be84b6?i=1727173401480)

Technological Advancements and Product Innovation

Continuous R&D is leading to the development of advanced adhesives with improved bonding strength, faster curing times, and enhanced compatibility with a wide range of substrates and operating environments. Innovations such as smart adhesives, hot-melt technologies, UV-cured systems, and biodegradable formulations are broadening the scope of applications across multiple industries.

(Source: <https://www.marketreportanalytics.com/reports/india-adhesives-market-102122>)

Growth in End-User Industries

Besides plastic piping industry, construction, and automotive, sectors such as electronics, aerospace, healthcare, and woodworking are contributing to rising adhesive demand, especially for specialised, high-performance applications.

(Source: <https://www.marketreportanalytics.com/reports/india-adhesives-market-102122>)

How Woodworking and Furnishing are Shaping India's Adhesive Market

India's furniture market, valued at USD 23.12 bn in 2022, is projected to

expand at a CAGR of 10.9% through 2028, driven by increasing consumer interest in home décor and premium furnishing solutions. This growth is significantly fuelling demand for wood adhesives used in joinery, furniture assembly, and interior décor applications. Rapid urban expansion, along with government initiatives such as the Pradhan Mantri Awas Yojana, is accelerating both residential and commercial construction activity, thereby increasing the need for wooden elements such as flooring, cabinetry, and doors, all of which rely on high-performance adhesives for durability and finish. The growing popularity of modular and ready-to-assemble (RTA) furniture has further intensified the use of advanced adhesives to ensure structural integrity and long-term performance.

(Source: <https://www.imarcgroup.com/india-wood-adhesives-market>)

Automotive and Transportation Growth

India's automotive market is projected to grow by USD 60.6 bn between 2024 and 2029, registering a strong CAGR of 7.9%. This growth is accompanied by an increasing shift towards high-performance adhesives as manufacturers prioritise lightweight vehicle construction, structural integrity, and enhanced safety features. Adhesive technologies such as structural adhesives, EV battery assembly adhesives, multi-material bonding solutions, and specialised adhesives for noise, vibration, harshness (NVH) control and sealing are witnessing growing adoption. The accelerating transition to EVs is further spurring innovation in next-generation adhesive systems, specifically designed for battery integration and complex multi-component bonding requirements.

(Source: <https://www.technavio.com/report/india-automotive-market-industry-analysis>)

Home Improvement Boom

The home improvement sector presents another promising avenue. Growing consumer interest in interior renovation, DIY repair, and premium décor is creating steady demand for sealants, epoxy systems, and specialty adhesives. This is particularly evident in the surge of modular kitchens, bathroom upgrades, and ready-to-assemble furniture, where adhesives play a vital role in aesthetics, durability, and ease of application.

Company Overview

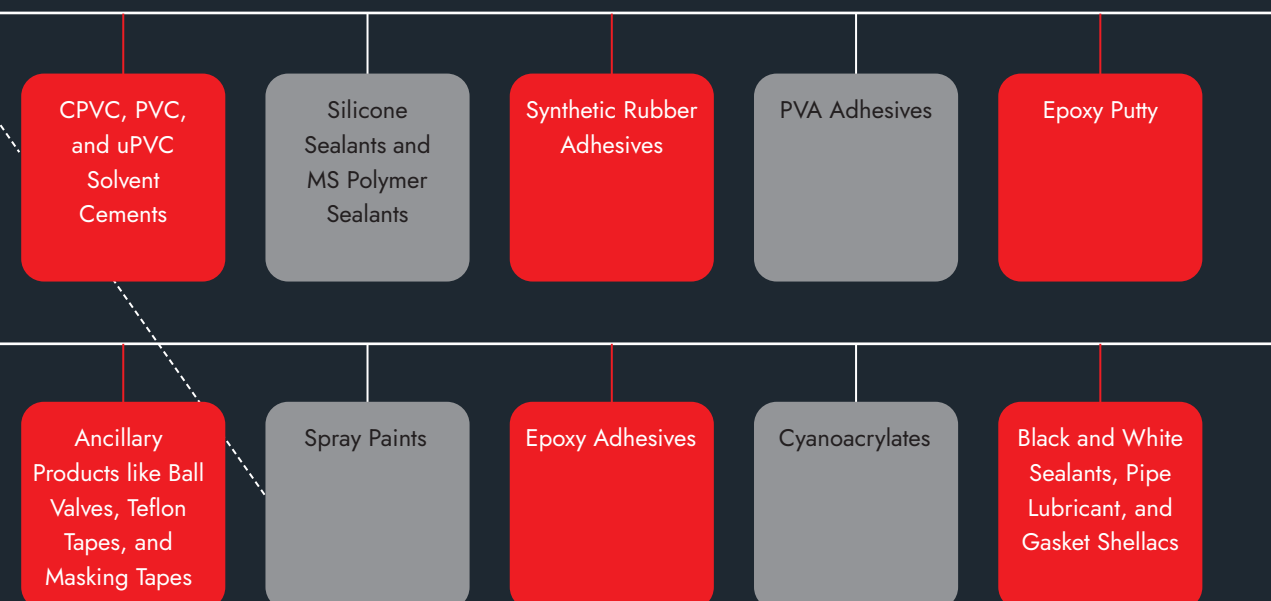
HP Adhesives Limited (the 'Company') has emerged as a prominent manufacturer and distributor of adhesives and sealants, catering to a broad spectrum of applications across domestic and international markets.

The Company operates from a state-of-the-art manufacturing facilities

located in Khalapur Taluka of Raigad district, Maharashtra, with an annual production capacity of approximately 16,800 metric tonnes. Its extensive distribution network spans 27 Indian states and 5 Union Territories, and it exported to 18 countries in 2024-25, serving a diverse customer base of nearly 1,700+ customers.

With a sharp focus on product quality and operational efficiency and a keen understanding of evolving market dynamics, HP Adhesives is well-positioned for sustained growth. The Company continues to strengthen its market presence while delivering reliable, high-performance solutions to customers across geographies.

Product Portfolio



Summary of Product Categories During FY 2024-25

Solvent Cement

HP Adhesives is a leading manufacturer and distributor of a comprehensive range of solvent cements (plumbing adhesives)- PVC, CPVC, and uPVC solvent cement. With a robust portfolio of over 200 Stock Keeping Units (SKUs), the Company caters to entire spectrum of plumbing requirements. Its product range includes regular-bodied, medium-bodied, and heavy-duty formulations, available in diverse packaging options, from compact 10 ml tubes to large 5,000-litre (5 KL) cans.

These products are used across multiple sectors:

- > PVC solvent cements are widely applied in irrigation, sewage, and drainage systems.
- > CPVC variants are designed for hot and cold-water plumbing pipes and fittings.
- > uPVC solvent cements are ideal for high-pressure piping systems.

In addition to adhesives, HP Adhesives also offers primers and cleaners tailored for all PVC and CPVC applications, ensuring optimal bonding performance and long-lasting durability.

The Company markets its solvent cement products under two trusted brands, HP and StrongWeld, which are well-recognised across domestic and international markets.



Silicone Sealants

HP Adhesives manufactures and markets silicone sealants under its reputable 'Strong Seal' brand, catering to a wide range of sealing and bonding applications. These high-performance sealants are ideally suited for sealing gaps in doors and windows, automotive uses, and crack-filling in interior spaces.

Widely used across glazing, external weatherproofing, interior fittings, bathroom installations, and various construction projects, Strong Seal products are recognised for their durability, flexibility, and dependable adhesion. Available in 260 ml, 280 ml, and 300 ml cartridges, as well as sausage packs, and offered in a range of colours, the sealants are designed to address diverse requirements across both industry and consumer segments.

With a rapidly expanding product line that includes solutions for advanced and specialised bonding needs, HP Adhesives is well-positioned to establish itself as a leading player in the silicone sealant category, known for its world-class quality, continuous innovation, and comprehensive product range.



Contact Adhesives and PVA Adhesives

HP Adhesives is actively expanding its portfolio of PVA and rubber adhesives, marketed under the 'Strong Fix' brand. PVA adhesives, commonly used as woodworking glue, are designed for bonding wood surfaces in furniture and interior applications. Meanwhile, rubber adhesives, also known as contact adhesives, are widely utilised across woodworking, foam furnishings (such as mattresses), automotive interiors, footwear manufacturing, and handicraft segments.

The Company offers a comprehensive range of sprayable and brushable rubber adhesives, available in multiple SKUs to suit varying application techniques and end-user requirements. While its current PVA adhesive range and market presence remain relatively limited, HP Adhesives is strategically focussed on scaling up this segment, with the aim of reinforcing its position in the woodworking and general-purpose adhesives market in the near term.



Ball Valves and Tapes

HP Adhesives has strategically broadened its product portfolio by introducing ball valves, PTFE tapes, and masking tapes through its established distribution network, targeting its existing customer base. These products act as complementary solutions to the Company's core adhesive offerings, particularly in the PVC and CPVC plumbing segments.

Ball valves and PTFE tapes are essential accessories that support the effective installation and maintenance of pipe fittings, enhancing the functionality and reliability of solvent cement applications. Additionally, masking tapes play a vital role in painting, carpentry, and interior work, protecting delicate surfaces such as glass and laminates from stains, scratches, and other potential damage.

By integrating these value-added complementary products into its portfolio, HP Adhesives continues to fortify its position as a one-stop solutions provider for construction, repair, and finishing needs.



Spray Paints

HP Adhesives offers a range of high-performance, fast-drying spray paints designed for versatile use across both indoor and outdoor applications. Engineered to provide a smooth, premium-quality finish on a wide array of surfaces, these spray paints combine quick application with vibrant colour payoff and long-lasting durability.

Ideal for home decor, automotive refinishing, and creative projects, the product is recognised for its superior coverage, rich pigmentation, and strong resistance to chipping, fading, and peeling. Trusted by professionals and DIY enthusiasts alike, HP Adhesives' spray paints have become a preferred choice for those seeking consistent performance and lasting quality across varied applications.



Epoxy Putty

HP Adhesives, through its StrongTite brand, offers a well-rounded portfolio of epoxy putties designed to address a wide range of repair and maintenance requirements. The General Purpose Epoxy Putty serves as a versatile solution, suitable for multiple everyday repair applications. For plumbing and sanitary installations, the Sanitary Epoxy Putty provides a reliable and tailored formulation. In situations where speed is essential, the Fast Epoxy Putty stands out with its rapid-setting properties, making it the go-to choice for quick and time-sensitive repairs.



Cyanoacrylates

HP Adhesives has launched two variants of Cyanoacrylates – suitable for immediate bonding of materials. It's a fast setting adhesive which can be used for virtually any type of fastening job. Cyanoacrylates are commonly known as super glue, offering several benefits, including rapid curing, strong bonding, versatility, and ease of use. The Company's range of cyanoacrylates are known for their ability to bond a wide range of materials quickly and effectively, making them popular for various applications.



New Products



Distribution Channel

HP Adhesives has established a strong and growing distribution network that spans India and extends to over 21 international markets as well, ensuring its high-quality products are readily available to a diverse and geographically dispersed customer base. By strategically onboarding distributors, who play a central role in the resale and promotion of its portfolio, the Company achieves deep market reach both domestically and globally with notable operational efficiency.

A core focus of HP Adhesives is to enhance direct engagement with retailers and end-users through its distributor partners, fostering long-term relationships that build brand loyalty and reinforce market presence. In 2024-25, the Company engaged with a network of over 1,575+ distributors across India, a number that continues

to grow steadily and serves as a cornerstone of its distribution-led growth strategy.

Internationally, HP Adhesives has built a formidable presence, with its products reaching customers in several countries. This wide global footprint reflects the Company's commitment to delivering excellence beyond borders. Looking ahead, HP Adhesives is actively exploring opportunities to enter new international markets and remains optimistic about the long-term impact of these global expansion efforts. In the last 12 months, the Company has actively explored developing private label engagements with many reputed organisations in specific geographies. The Company's is highly optimistic about the long term sustainability of the relations with these customers, translating into large business over several years.



Marketing Strategy and Brand Awareness

HP Adhesives has adopted a focused and strategic approach to strengthening its portfolio of brands, 'Strong Weld', 'HP', 'Strong Seal', and 'Strong Fix', through targeted brand-building and promotional initiatives. The Company actively engages with its ecosystem of dealers, distributors, and key influencers such as plumbers, carpenters, and masons, who play a pivotal role in product selection and usage.

To deepen engagement and drive brand recall, HP Adhesives regularly hosts its main applicators like plumbers, carpenters, and masons, among others, for gatherings, serving as platforms to introduce new products and variants. These gatherings often

feature live demonstrations and hands-on testing, allowing stakeholders to directly experience product performance and quality.

Recognising the critical role of applicators in influencing purchase decisions, the Company has implemented incentive programs tailored to this segment, encouraging stronger loyalty and advocacy. In addition, HP Adhesives actively participates in international trade exhibitions, amplifying brand visibility and reinforcing its presence in global markets.

These integrated brand engagement efforts form a cornerstone of the Company's growth strategy and will continue to play a key role in expanding market share and enhancing customer connection in the years ahead.



Corporate Social Responsibility (CSR)

During 2024-25, HP Adhesives continued its contributions towards Health, Education and Sports under CSR initiatives.

During the year, one of the major initiatives was providing contributions towards development of state-of-the-art sports infra for the local community of Narangi village. An all-weather cricket turf is being built for use by the local community, as the Company strongly believes in supporting sports initiatives that play a key role in the physical development of individuals while also cultivating camaraderie and a positive culture within the community.

In the area of education, the Company supported young learners enabling their access to education by sponsoring their learning programmes through scholarships.

Health initiatives were also supported particularly by contributing to regional Thalassemia Day Care Center as well as continued to address the critical need for clean drinking water by providing RO purified water to the residents of Narangi Village, promoting better health and hygiene within the community.



Financial Performance on a Consolidated Basis

(₹ in Lakhs)

Particulars	FY 2024-25	FY 2023-24	Change (%)
Revenue from Operations	25,287.16	23,590.60	7.19
Profit Before Tax (Before Exceptional Items)	2,372.84	2,789.26	(14.93)
Profit after Tax	1,824.35	2,056.81	(11.30)
Cost of Materials	15,902.67	14,812.83	7.36
Employee Benefits Expenses	3,403.75	2,854.83	19.23
Depreciation and Amortisation	471.80	429.35	9.89
Tax Expense	548.48	754.84	(27.34)
Other Expenses	3,378.59	2,853.48	18.40

Revenue from Operations for the current period was ₹ 25,287.2 Lakhs, compared to ₹ 23,601.78 Lakhs in the previous period, reflecting a growth of 7.19%.

Profit Before Tax decreased to ₹ 2,372.84 Lakhs, down from ₹ 2,789.26 Lakhs, marking a decrease of 14.93%.

Profit After Tax reduced to ₹ 1,824.35, compared to ₹ 2,056.81 Lakhs in the previous period, an decrease of 11.30%.

The Cost of Materials increased to ₹ 15,902.67 Lakhs from ₹ 14,812.83 Lakhs, a increase of 7.36%.

Employee Benefits Expenses amounted to ₹ 3,403.75 Lakhs, up from ₹ 2,854.83 Lakhs, an increase of 19.23%.

Depreciation and Amortisation expenses rose to ₹ 471.80 Lakhs from ₹ 429.35 Lakhs, a growth of 9.89%.

Tax Expense decreased to ₹ 548.48 Lakhs, down from ₹ 754.84 Lakhs, reflecting an drop of 27.34%.

Other Expenses were ₹ 3,378.59 Lakhs, compared to ₹ 2,853.48 Lakhs previously, showing an increase of 18.40%.

Risk and Mitigation

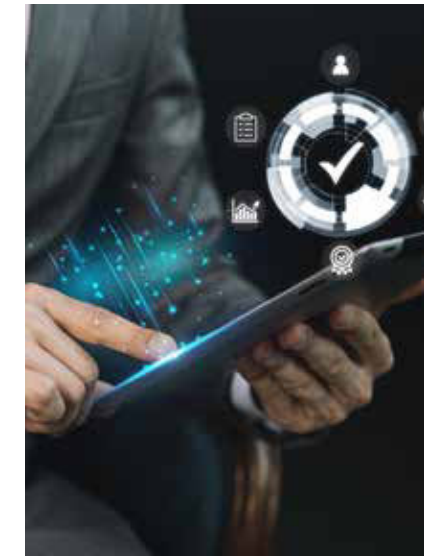
Risk Category	Description	Mitigation Measures
	Economic, Political, and Market Risk	Shifts in the geopolitical and macroeconomic landscape can disrupt regular operations and impact financial stability.
	Supply Chain Risk	Dependence on suppliers for raw materials, packaging materials, and capex components makes the Company vulnerable to disruptions in production and delivery.
	Quality Control Risk	Product quality is critical to the Company's reputation; any lapses may lead to customer dissatisfaction and brand damage.
	Product Concentration Risk	Overdependence on a single product category increases vulnerability to competition or obsolescence.
	Revenue Concentration Risk	Relying heavily on a few key customers poses a risk in case of client attrition or defaults.
	Competition Risk	Intense competition from domestic and global players may impact the Company's market share and pricing power.
	Compliance and Legal Risk	Non-compliance with applicable laws and regulations could lead to penalties and reputational harm.

Internal Control Systems and Their Adequacy

HP Adhesives has established a robust internal control framework that is well-aligned with the scale and complexity of its operations. These controls are designed to safeguard the Company's assets, ensure operational efficiency, and maintain strict compliance with all applicable laws and regulations.

The internal control system is supported by well-documented policies and procedures, including clearly defined authorisation and approval hierarchies. These are subject to regular review and updates to reflect evolving business needs and regulatory requirements. The system is actively monitored and assessed by the Internal Auditor, who conducts periodic audits to identify any gaps or risks.

Findings and recommendations from both internal and statutory audits are thoroughly evaluated, and corrective actions are promptly implemented where necessary. The Audit Committee plays an integral role in this process by reviewing audit plans, tracking audit outcomes, and overseeing the implementation of remedial measures. This continuous improvement approach ensures the adequacy and effectiveness of the internal control environment across the organisation.



Human Resources

Human resources development remains a core pillar of HP Adhesives' growth strategy, fostering a workplace culture rooted in safety, collaboration, fairness, and inclusivity. The Company is deeply committed to career progression and continuous skill enhancement across all functional areas, including R&D, manufacturing, supply chain, sales, administration, and business development.

Employee health and safety, particularly within manufacturing operations, is a top priority. HP Adhesives enforces rigorous safety protocols to ensure a secure and compliant working

environment. As of 31st March, 2025, the Company employed 659 individuals, maintaining harmonious industrial relations throughout the year.

HP Adhesives actively promotes gender diversity and equal opportunity, empowering women across all levels, from factory operations to boardroom decision-making. This commitment underscores the Company's focus on building a supportive, progressive, and inclusive work environment that aligns professional development with individual aspirations.

Our Stature

486 Men

173 Women

659 Total

Outlook

India's adhesives and sealants market is on a stable growth trajectory, driven by healthy activity in construction, real estate, and home improvement. Government-led infrastructure initiatives, combined with rising demand from the agriculture,

automotive and consumer discretionary segments, further accelerating market expansion.

HP Adhesives is well-positioned to harness this momentum through its diversified product portfolio, continuous improvement in operational

efficiency and strategic focus on widening its distribution network. With a firm commitment to quality and new product developments, the Company is set to enhance its market presence and unlock long-term growth opportunities.

COMPANY SYNOPSIS

BOARD OF DIRECTORS

Mrs. Anjana Haresh Motwani
Chairperson & Executive Director

Mr. Karan Haresh Motwani
Managing Director

Ms. Nidhi Haresh Motwani
Executive Director

Mr. Surendra Kumar Mehta
Independent Director

Mr. Rajendra Kumar Jain
Independent Director

Mr. Ajeet Anant Walavalkar
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Mihir Suresh Shah

COMPANY SECRETARY

Mrs. Jyoti Nikunj Chawda

STATUTORY AUDITORS

M/s. Priya Choudhary & Associates,
LLP

SECRETARIAL AUDITOR

M/s. Shivam Sharma & Associates

BANKERS

IndusInd Bank Limited
ICICI Bank

REGISTERED OFFICE

11, Unique House, Chakala Cross
Road,
Andheri East, Mumbai 400 099.

CORPORATE OFFICE

Business Square-C, 501,
Sir Mathuradas Vasanji Road,
Andheri East, Mumbai 400053.
Tel. No.: 022 – 6819 6300
Website: www.hpadhesives.com
Email: investors@hpadhesives.com

PLANT

- Survey No. 7, Village Narganj,
Tal. Khalapur, Dist. Raigad - 402107,
Maharashtra.
- Plot No. 21A, Aditya Industrial
Estate, Village Kumbhivali,
Tal. Khalapur, Dist. Raigad - 402107,
Maharashtra.

AUDIT COMMITTEE

Mr. Surendra Kumar Mehta –
Chairman
Mr. Rajendra Kumar Jain – Member
Mr. Karan Haresh Motwani – Member

STAKEHOLDERS RELATIONSHIP
COMMITTEE

Mr. Surendra Kumar Mehta –
Chairman
Mr. Rajendra Kumar Jain – Member
Mr. Ajeet Anant Walavalkar – Member

NOMINATION & REMUNERATION
COMMITTEE

Mr. Surendra Kumar Mehta –
Chairman
Mr. Rajendra Kumar Jain – Member
Mr. Ajeet Anant Walavalkar – Member

CORPORATE SOCIAL
RESPONSIBILITY COMMITTEE

Mrs. Anjana Haresh Motwani –
Chairperson
Mr. Ajeet Anant Walavalkar – Member
Ms. Nidhi Haresh Motwani – Member

REGISTRAR AND SHARE
TRANSFER AGENT

M/s. Bigshare Services Private Limited
Office No. S6-2, 6th Floor, Pinnacle
Business Park,
Next to Ahura Centre, Mahakali Caves
Road,
Andheri (East) Mumbai - 400093.
Tel. No.: 022 – 6263 8200
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

DIRECTORS' REPORT

Dear Members,

The Board of Directors are delighted to present the 6th Annual Report on the business and operations of HP Adhesives Limited ('the Company') along with the summary of consolidated and standalone financial statements for the year ended 31st March, 2025.

In compliance with the applicable provisions of the Companies Act, 2013, ('the Act'), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), this Board's Report is prepared based on the Standalone financial statements of the Company for the year under review and also presents the key highlights of performance of Subsidiary and its contribution to the overall performance of the Company for the year under review.

OVERVIEW OF FINANCIAL PERFORMANCE

Key highlights of consolidated and standalone financial performance for the year ended 31st March, 2025, are summarised as under:

Particulars	Consolidated		Standalone	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from operations	25,287.16	23,590.60	25,124.64	23,590.60
Other income	457.62	337.09	448.22	337.09
Total Revenue	25,744.78	23,927.69	25,572.86	23,927.69
Total Expenditure	23,371.94	21,138.44	23,254.36	21,138.44
Profit before Exceptional items and tax	2,372.84	2,789.26	2,318.50	2,789.26
Less: Exceptional items	-	22.40	-	22.40
Profit Before Tax	2,372.84	2,811.66	2,318.50	2,811.66
Tax expenses	548.48	754.84	534.47	754.84
Profit after Tax	1,824.36	2,056.81	1,784.03	2,056.81
Other Comprehensive Income for the year	(9.69)	3.29	(9.69)	3.29
Total Comprehensive Income for the year	1,814.67	2,060.10	1,774.34	2,060.10

FINANCIAL HIGHLIGHTS

Consolidated Performance

In FY 2024-25, Company reported Revenue from operations of 25287.16 Lakhs compared to 23,590.60 Lakhs in the previous financial year resulting in a growth of 7.19% year-on-year. Profit before tax (after exceptional items) decreased to 2,372.84 Lakhs in financial year ended March 2025 compared to Profit before tax (after exceptional items) of 2,811.66 Lakhs in the previous year, a decline of 15.60%. Net Profit for the year FY 2024-25 was ₹ 1824.36 Lakhs compared to ₹ 2056.81 Lakhs in the previous year FY 2023-24 registering a drop of 11.30%.

Revenue has increased due to healthy volume growth on account of increasing distribution strength, deeper penetration in existing customers and addition of new product categories. Though Profitability has got impacted in FY 2024-25, we believe its not a structural decline but temporary in nature as the expenses have increased primarily on account of increased employee expenses which are primarily in the sales team which will lead to increased business in the coming years as well as higher initial costs

towards opening of new depots to serve its expanding distribution network and higher business promotion expenses to maintain its market share in the industry as the demand scenario was tepid in the year. Going forward, these investments are expected to yield returns by way of increased revenue as well as improved profitability.

The financial results have been discussed in detail in the Management Discussion and Analysis Report which forms part of this Annual report.

Standalone Performance

In FY 2024-25, Company reported Revenue from operations of 25124.64 Lakhs compared to 23,590.60 Lakhs in the previous financial year resulting in a growth of 6.50% year-on-year. Profit before tax (after exceptional items) decreased to 2,318.50 Lakhs in financial year ended March 2025 compared to Profit before tax (after exceptional items) of 2,811.66 Lakhs in the previous year, a decline of 17.54%. Net Profit for the year FY 2024-25 was ₹ 1784.03 Lakhs compared to ₹ 2056.81 Lakhs in the previous year FY 2023-24 registering a drop of 13.26%.

DIRECTORS' REPORT (CONTD.)

DIVIDEND & RESERVES

Declaration and payment of dividend

The Board of Directors at their meeting held on 13th May, 2025, has recommended payment of ₹ 0.40 (20%) per equity share of ₹ 2/- each fully paid-up as final dividend for the financial year 2024-25. The final dividend, subject to the approval of the shareholders at the ensuing Annual General Meeting ("AGM") of the Company.

In terms of Ind AS 10, events after the reporting period as notified by the Ministry of Corporate Affairs, the proposed dividend of ₹ 367.50 Lakhs is not recognised as a liability as of 31st March, 2025.

The dividend, if approved at the ensuing AGM, would be paid to those Members whose names appear in the Register of Members/Beneficial Owners maintained by the depositories as stated in notice of the ensuing AGM.

Record date

The record date fixed for determining the entitlement of Members for payment of dividend is Tuesday, 23rd September, 2025. According to the Finance Act, 2020, dividend income will be taxable in the hands of the members and the Company is required to deduct tax at source from

SHARE CAPITAL

Authorised, Issued, Subscribed And Paid-Up Equity Share Capital

As on 31st March, 2025 the Authorised, Issued, Subscribed and Paid-up Equity Share Capital of the Company is as follows:

Particulars	No. of Shares	Face Value (₹)	Total Share Capital (in ₹)
Authorised	10,00,00,000	2.00	20,00,00,000.00
Issued, Subscribed and Paid-up	9,18,74,735	2.00	18,37,49,470.00

Utilisation Of IPO Proceeds

Pursuant to Regulation 32 of the Listing Regulations, a statement/explanation for the deviation(s) or variation(s) in the use of proceeds of IPO is herein given below:

Particulars of Issue	Shares Issued	Amount Raised	Deviation(s) or Variation(s) in the use of proceeds of issue, if any
IPO	45,97,200 Equity Shares, out of which 41,40,000 Equity Shares were fresh issue and the balance 4,57,200 Equity Shares was an offer for sale by Mrs. Anjana Haresh Motwani, Promoter of the Company.	Out of the IPO Proceeds of ₹ 12,596.33 Lakhs, proceeds to the Company through fresh issue of shares was ₹ 11,343.60 Lakhs and Net proceeds after IPO expenses was ₹ 9,669.12 Lakhs.	*There were no instances of deviation(s) or variation(s) in the utilisation of proceeds as stated in the objects in Prospectus, in respect of the IPO issue of the Company.

*Necessary disclosures have been made to the Stock Exchanges in the Statement of Deviation/Variation Report issued quarterly along with the Financial Statements.

the dividend paid to the members as per the rates prescribed under Income Tax Act, 1961.

Unclaimed dividends

The provision of Section 125 of the Act is not applicable as the Company has declared its first dividend in financial year 2023-24.

Transfer to Reserves

As permitted under the Act, the Board does not propose to transfer any amount to general reserve and has decided to retain the entire amount of profit for FY 2024-25 in the retained earnings.

CHANGES IN THE NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

MATERIAL CHANGES AFFECTING THE COMPANY (AFTER CLOSURE OF FINANCIAL YEAR)

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the close of the Financial Year as on 31st March, 2025, to which the Financial Statement relate and the date of this Report.

DIRECTORS' REPORT (CONTD.)

The proceeds of IPO were utilised for the objects as disclosed in the Prospectus. Details as on 31st March, 2025 are as follows:

(₹ in Lakhs)					
Sr. No.	Object	Original Amount proposed to be utilised as per the offer document	Revised Amount proposed to be utilised	Amount utilised*	Amount Unutilised
1.	Funding capital expenditure for the Proposed Expansion	#2,550.86	2,550.86	2313.60	237.26
2.	Funding the incremental working capital requirements of our Company	5,400.00	5,400.00	5,400.00	0.00
3.	General corporate purposes	1,723.50	1,718.20	1,718.20	0.00
Total		9,674.36	9,669.06	9,431.80	237.26

*The amount utilised represents actual payments made inclusive of taxes.

#The amount has been utilised for the Capex Object as defined in the Prospectus. However, there has been a delay in utilisation of the Capex amount as compared to revised timeline.

Details of delay in implementation of the object(s) are mentioned hereunder:

Object(s) Name	Completion Date		Delay (No. of days/ months)	Comments of Board of Directors	
	As per Offer Document	Actual		Reason of delay	Proposed Course of Action
Capex	Q4 FY 2023-24	Q4 FY 2024-25 (balance payments by Q2 FY 2025-26)	3-6 months from end of FY 2024-25, depending upon delivery of machines / equipment / completion of contracts, etc.	As there was a delay in spending in FY 2021-22 allocated amount, the amount proposed to be spent on capex in FY 2022-23 has spilled over to FY 2023-24. However, capex for capacity additions have not been impacted and the same has been carried out as per expected production forecast to meet estimated demand.	As mentioned in earlier Company Declarations, unutilised IPO proceeds were to be utilised by Mar-25. Majority of capex IPO proceeds have been utilised. Unutilised capex proceeds beyond 31 st March, 2025 is towards those equipments/machineries/work orders where Purchase Orders / Work orders have been issued before 31 st March, 2025 (except one which is under negotiation) and only balance payment is pending which is as per progress / delivery schedule.

There has been no deviation in the utilisation of the IPO proceeds of the Company. The Monitoring Agency Reports are available on the Company website www.hpadhesives.com as well as submitted to stock exchanges.

DEPOSITS

During the year under review, the Company has not accepted any fixed deposits within the meaning of Section 73 of the Act and the rules made there under.

HOLDING, SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

During the time under review, the Company formed one subsidiary - Unitybond Solutions Private Limited; there are no Associate Companies or Joint Ventures.

Consolidated Financial Statements

According to Section 129(3) of the Act, the consolidated financial statements of the Company and its Subsidiary is prepared in accordance with the relevant Indian Accounting Standard specified under the Act, and the rules thereunder form part of this Annual Report. A statement containing the salient features of the financial statements of the Company's subsidiary in Form No. AOC-1 as "Annexure I" is provided in this Annual Report.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements along with other relevant documents, in respect of subsidiaries, are available on the Company's website at www.hpadhesives.com.

DIRECTORS' REPORT (CONTD.)

The details of the business of operating subsidiary during FY 2024-25 are given in the Management Discussion and Analysis Report, which forms part of this Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The constitution of the Board of the Company is in accordance with Section 149(6) of the Act and Regulation 17 of the SEBI Listing Regulations. The detailed composition of the Board as of 31st March, 2025 is as follows:

Sr. No.	Name of the Director	Designation
1	Mrs. Anjana Haresh Motwani	Chairman & Executive Director
2	Mr. Karan Haresh Motwani	Managing Director
3	Mrs. Nidhi Haresh Motwani	Executive Director
4	Mr. Surendra Kumar Mehta	Independent Director
5	Mr. Rajendra Kumar Jain	Independent Director
6	Mr. Ajeet Ananta Walavalkar	Independent Director

None of the Directors on the Board are disqualified under the provisions of the Act.

In terms of the requirement of the SEBI Listing Regulations, the Board has identified core skills, expertise, and competencies of the Directors in the context of the Company's businesses for effective functioning. The list of key skills, expertise and core competencies of the Board of Directors is detailed in the Corporate Governance Report.

In the opinion of the Board, all the Directors, including the Directors re-appointed during the year under review possess the requisite qualifications, experience & expertise and hold high standards of integrity.

RETIREMENT BY ROTATION

Mrs. Anjana Motwani, Executive Director of the Company, is liable to retire by rotation and being eligible for re-appointment at the ensuing Annual General Meeting ("AGM") of your Company, has offered herself for re-appointment. Her details as required under the SEBI Listing Regulations are contained in the accompanying Notice convening the ensuing AGM of your Company.

An appropriate resolution seeking your approval for her re-appointment as Director is included in the Notice.

INDEPENDENT DIRECTORS' DECLARATION

All the Independent Directors of the Company have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1) (b) of SEBI Listing Regulations and they continue to comply with the Code of Conduct laid down under Schedule IV to the Act. In terms of Regulation 25(8) of SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent

judgment and without any external influence. The Directors have further confirmed that they are not debarred from holding the office of the director under any SEBI Order or any other such authority.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Directors of the Company and the Board is satisfied with the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors and complied with the requirements of passing proficiency test, as applicable.

KEY MANAGERIAL PERSONNEL

Mr. Karan Haresh Motwani, Managing Director, Mr. Mihir Suresh Shah, Chief Financial Officer and Ms. Jyoti Nikunj Chawda, Company Secretary and Compliance Officer are Key Managerial Personnel of the Company in accordance with the provisions of Section(s) 2(51) and 203 of the Act read with the Companies (Appointment and Remuneration of Managing Personnel) Rules, 2014. Further, Ms. Jyoti Nikunj Chawda, have resigned from the post of Company Secretary & Compliance Officer w.e.f. 9th August, 2025.

BOARD AND COMMITTEE MEETINGS

The Board meetings are convened regularly to review and determine the Company's business policies and strategies, alongside other key governance matters. It maintains robust operational oversight with quarterly meetings featuring comprehensive presentations. Board and Committee meetings are scheduled in advance and informed to Directors, enabling them to plan their schedules effectively

DIRECTORS' REPORT (CONTD.)

and participate meaningfully in discussions. Only in case of special and urgent business matters, if the need arises, Board's or Committee's approval is taken by passing resolutions through circulation or by calling the Board / Committee meetings at a shorter notice, in accordance with the applicable law.

The agenda for the Board and Committee meetings includes detailed notes on the items to be discussed to enable the Directors to make an informed decision.

Your Board of Directors met 5 (Five) times during the FY 2024-25. The details of the meetings and the attendance of the Directors are mentioned in the Corporate Governance Report. The intervening gap between meetings were not more than 120 days as required under the Act and SEBI Listing Regulations.

The Board of Directors of your Company have formed various committees, as per the provisions of the Act and SEBI Listing Regulations and as a part of the best corporate governance practises, the terms of reference and the constitution of these Committees are in compliance with the applicable laws and to ensure focused attention on business and for better governance and accountability. The constituted committees are as below:

- a) Audit Committee;
- b) Nomination and Remuneration Committee;
- c) Stakeholders Relationship Committee; and
- d) Corporate Social Responsibility Committee.

The details with respect to the composition, terms of reference, number of meetings held and business transacted by the aforesaid committees are given in the Corporate Governance Report of the Company which is presented in a separate section and forms a part of the Annual Report of the Company.

POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND OTHER DETAILS

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board has adopted the Remuneration Policy for Directors, KMPs and Senior Management Personnel. NRC has formulated the criteria for determining the qualifications, positive attributes and independence of an Independent Director. The Company's Policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act is disclosed in the Corporate Governance Report, which is a part of the Annual Report and is also available on <https://www.hpadhesives.com/wp-content/uploads/2014/08/Nomination-and-Remuneration-Policy.pdf>.

BOARD EVALUATION AND ASSESSMENT

Pursuant to the provision of the Act read with Regulation 17 of the SEBI Listing Regulations, the Board carried out a performance evaluation of the Board of Directors as a whole, Committees of the Board and Individual Directors. The performance of the Board as a whole, Committees and Individual Directors was evaluated by seeking inputs from all Directors based on certain parameters as per the Guidance Note on Board Evaluation issued by SEBI. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their separate annual meeting held on 12th February, 2025, and also shared with the Board. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. They expressed their satisfaction in respect thereof.

FAMILIARISATION PROGRAMME

Towards familiarisation of the Independent Directors with the Company, the independent directors of the Company were enlightened about the business affairs of the Company, product portfolio, business strategies, financial performance and industry scenario including those pertaining to Legislations & Economic environment and on matters affecting the Company. Periodic presentations are also made at the Board and Committee meetings on business and performance updates of the Company including Finance, Sales, Marketing, Business strategy and risks involved.

The details of Familiarisation Program imparted to the Independent Directors for the FY 2024-25 are available on the website of the Company at www.hpadhesives.com.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in preparation of the annual accounts for the year ended 31st March, 2025, the applicable accounting standards have been followed and there are no material departures from the same;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at 31st March, 2025 and of the profit of the Company for the year ended on that day;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for

DIRECTORS' REPORT (CONTD.)

- safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- the Annual Accounts for the year ended 31st March, 2025 have been prepared on a "going concern" basis;
 - they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively throughout the financial year ended 31st March, 2025; and
 - they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively throughout the financial year ended 31st March, 2025.

Further, there are no qualifications, reservations or adverse remarks made by the statutory auditor/secretarial auditor in their respective reports.

BUSINESS RESPONSIBILITY REPORT

The provision of Regulation 34(2)(f) of the SEBI Listing Regulations, regarding the Business Responsibility Report is not applicable to the Company.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of the SEBI Listing Regulations, a separate section on Management Discussion and Analysis Report which also covers the consolidated operations reflecting the global nature of our business forms an integral part of the Integrated Annual Report.

CORPORATE GOVERNANCE REPORT

Pursuant to Regulation 34 read with Schedule V of the SEBI Listing Regulations, a separate section on the Corporate Governance Report, forms an integral part of the Annual Report. A certificate from Practicing Company Secretary confirming compliance with corporate governance norms, as stipulated under the SEBI Listing Regulations, is annexed to the Corporate Governance Report.

AUDITORS

Statutory Auditors:

Pursuant to the provisions of Section 139 of the Act, M/s. Priya Choudhary & Associates LLP, Chartered Accountant (Firm Registration No. 011506C/C400307) are appointed as the Statutory Auditor's of the Company from the conclusion of 1st Annual General Meeting up to the conclusion of 6th Annual General Meeting of the Company.

Further pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014

(including any statutory modification(s) or re-enactment(s) thereof for the time being in force) the Audit Committee and the Board of Directors have approved the re-appointment and remuneration M/s. Priya Choudhary & Associates LLP, Chartered Accountant (Firm Registration No. 011506C/C400307) as the Statutory Auditors of the Company, to hold office for a period of 5 (five) consecutive years commencing from the conclusion of 6th Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company to be held in the financial year 2030-31.

M/s. Priya Choudhary & Associates LLP has consented to act as the Statutory Auditor of the Company and confirmed that their appointment, if approved, would be within the limits prescribed under the Companies Act, 2013 and SEBI LODR Regulations. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditor under the applicable provisions of the Act, rules made thereunder, and SEBI Listing Regulations.

Secretarial Auditor:

Pursuant to the amended provisions of Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee and the Board of Directors have approved the appointment and remuneration of M/s. Shivam Sharma & Associates, Practicing Company Secretaries (Certificate of Practice No. 16558), as the Secretarial Auditor of the Company for a term of five (5) consecutive years, effective from 01st April, 2025 till March 31, 2030. The Board has recommended his appointment for approval of the Members at the ensuing Annual General Meeting (AGM).

A brief profile and other relevant details of M/s. Shivam Sharma & Associates are provided in the Notice convening the ensuing AGM.

M/s. Shivam Sharma & Associates has consented to act as the Secretarial Auditor of the Company and confirmed that their appointment, if approved, would be within the limits prescribed under the Companies Act, 2013 and SEBI LODR Regulations. They have further confirmed that they are not disqualified to be appointed as the Secretarial Auditor under the applicable provisions of the Act, rules made thereunder, and SEBI Listing Regulations.

AUDITOR'S REPORT

Statutory Audit Report:

The Auditor's Report on the financial statements of the Company for the financial year ended 31st March, 2025 forms part of the Annual Report. The said report was issued by the Statutory Auditor with an unmodified opinion and does not

DIRECTORS' REPORT (CONTD.)

contain any qualifications, reservations or adverse remarks. During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

Secretarial Audit Report:

The Secretarial Audit Report in form MR-3 for FY 2024-25 is enclosed as "Annexure II" to this report. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. During the year under review, the Secretarial Auditor has not reported any fraud under Section 143(12) of the Act and therefore disclosure of details under Section 134(3)(ca) of the Act is not applicable.

ACCOUNTING TREATMENT

The accounting treatment is in line with the applicable Indian Accounting Standards (IND-AS) as recommended by the Institute of Chartered Accountants of India (ICAI) and prescribed by the Central Government.

SECRETARIAL STANDARDS

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standard – 1 and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Policy on Related Party Transactions and the same is available on its website at <https://www.hpadhesives.com/wp-content/uploads/2025/05/Policy-on-Related-Party-Transaction-amended-on-12.02.2025.pdf>. The Policy captures framework for Related Party Transactions and intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions with related parties.

All transactions with related parties are placed before the Audit Committee for its review and approval. An omnibus approval from the Audit Committee is obtained for the related party transactions which are repetitive in nature, based on the criteria approved by the Audit Committee. The Audit Committee reviews all transactions entered into pursuant to the omnibus approvals on a quarterly basis.

All transactions with related parties entered into during FY 2024-25 were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and rules made thereunder, the SEBI Listing Regulations and the Company's Policy on Related Party Transactions.

During the year under review, there were no transactions for which consent of the Board was required to be taken in terms of Section 188(1) of the Act and accordingly, no disclosure is required in respect of the related party transactions in Form AOC-2 under Section 134(3)(h) of the Act and rules framed thereunder. Further, there were no material related party transactions in terms of the SEBI Listing Regulations requiring approval of the Members during the year under review. The attention of the Members is drawn to note no. 30 of the financial statements setting out the disclosures on related party transactions for FY 2024-25.

Pursuant to Regulation 23(9) of the SEBI Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges within statutory timelines.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed as "Annexure III" to this report.

RISK MANAGEMENT

The provision of Regulation 21(4) of SEBI Listing Regulations is not applicable to the Company.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the Annual Return of the Company prepared as per Section 92(3) of the Act for the financial year ended 31st March, 2025, is available on the Company's website and can be accessed at www.hpadhesives.com. In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Registrar of Companies, within prescribed timelines.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the year under review and till date of this Report, the Company has neither made any application against anyone

DIRECTORS' REPORT (CONTD.)

nor any proceedings were pending against the Company under the Insolvency and Bankruptcy Code, 2016.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted a Corporate Social Responsibility (CSR) Committee. It is committed to ensure the social well-being of the communities through its CSR initiatives, in alignment with the Company's key priorities. The details of the Committee along with its terms of reference have been provided in the Corporate Governance Report.

The Company has adopted a Corporate Social Responsibility Policy in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 which can be accessed at <https://www.hpadhesives.com/wp-content/uploads/2014/08/Corporate-Social-Responsibility-Policy.pdf>.

The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company during the financial year ended 31st March, 2025, in accordance with Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out in "Annexure IV" to this report.

INTERNAL FINANCIAL CONTROL

The Company has laid down internal financial control through entity level control inter-alia to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/information, safeguarding of assets, prevention and detection of frauds and errors.

The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Whistle Blower Policy, Code of Conduct for regulating, monitoring and reporting Insider Trading and such other procedures for ensuring the orderly and efficient conduct of its business, prevention and detection of frauds and errors, accuracy and completeness of the accounting and timely preparation of financial information.

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board has approved the Code of Conduct for Prohibition of Insider Trading and the same is being implemented by the Company.

VIGIL MECHANISM

In pursuance of the provisions of Section 177(9) & (10) of the Act and Regulation 22 of SEBI Listing Regulations, a vigil mechanism named "HP Adhesives Limited Whistle Blower

Policy" for Directors and employees to report genuine concerns has been established. The policy on whistle mechanism can be accessed at <https://www.hpadhesives.com/wp-content/uploads/2014/08/Vigil-Mechanism-Whistle-Blower-Policy.pdf>.

The policy lays down a framework and process, which provides a platform to disclose information, confidentially and without fear of reprisal or victimisation, where there is reason to believe that there has been serious malpractice, fraud, impropriety, abuse or wrongdoing, grievances about leakage of unpublished price sensitive information, illegal and unethical behaviour within the Company to the Vigilance Officer.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the period under review, the Company has not provided any loans/ investments which come under the provisions of Section 186 of the Companies Act, 2013.

SHARE REGISTRAR & TRANSFER AGENT (R&T)

Bigshare Services Private Limited is the Registrar and Transfer Agent of the Company. They were appointed as the Registrar and Share Transfer Agent of the Company with effect from 07th July, 2021.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE POLICY

The Company has zero tolerance for sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has duly constituted an Internal Complaints Committee (ICC) as required under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint pertaining to sexual harassment at work place has been received by the Company.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including amendments thereto), is attached as "Annexure V" to this Report.

EMPLOYEES STOCK OPTION SCHEME

The Company has adopted the HP ADHESIVES EMPLOYEES STOCK OPTION SCHEME – 2024 (the "ESOP 2024 Scheme")

DIRECTORS' REPORT (CONTD.)

for a pool of 15,00,000 options. Further, the Company has not made any grants under the ESOP 2024 Scheme. A certificate pursuant to Regulation 13 of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 has been obtained from Shivam Sharma & Associates, Secretarial Auditors of the Company, and is annexed to this Report

HUMAN RESOURCES

The Company considers its Human Resource (HR) as the key to achieve its objectives. HR and Functional Department creates all strategies along with Senior Management and Board of Directors to attract talent and build capabilities. The employees are sufficiently empowered and enabled to work in an environment that inspires them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind fulfilling the Company's vision. Your Company appreciates the contribution of its dedicated employees.

COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks, and protection from dismissal during maternity leave.

GENERAL

Your directors state that no disclosure or reporting is required in respect of following items as there were no transactions on these items during the year under review:

- Issue of equity shares with differential voting rights as to dividend, voting or otherwise;
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme;
- No significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- No frauds were reported by the Auditors during the year under review; and
- Maintenance of Cost Records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 is not required by the Company.

CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable laws and regulations. Actual results may differ from those expressed in the statements.

ACKNOWLEDGEMENTS

Your Directors express their gratitude to the members, bankers, customers, regulatory and statutory authorities, and other business stakeholders for their valuable support and co-operation.

Your directors also thank the employees of the Company for their continued contribution, commitment and dedication.

For and on behalf of the Board of Directors
For **HP Adhesives Limited**

Place: Mumbai
Date: 8th August, 2025

Mrs. Anjana Haresh Motwani
Chairperson & Executive Director
DIN: 02650184

Mr. Karan Haresh Motwani
Managing Director
DIN: 02650089

ANNEXURE I

Form AOC-1

(PURSUANT TO FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

(₹ in Lakhs)		
Sl. No.	Particulars	Name of the Subsidiary
1.	Name of the Subsidiary	Unitybond Solutions Private Limited
2.	The date since when subsidiary was acquired	11 th April, 2024 (Date of Incorporation of Wholly-owned subsidiary)
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	11.04.2024 to 31.03.2025
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5.	Share capital	5.00
6.	Reserves and surplus	236.33
7.	Total assets	380.66
8.	Total Liabilities (Incl. Share capital, Reserves and Surplus)	380.66
9.	Investments	191.45
10.	Turnover	414.87
11.	Profit before taxation	54.34
12.	Provision for taxation	14.01
13.	Profit after taxation	40.33
14.	Proposed Dividend	--
15.	Extent of shareholding (in percentage)	100.00%

Names of subsidiaries which are yet to commence operations: None

Names of subsidiaries which have been liquidated or sold during the year: None

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

MIHIR SURESH SHAH
(Chief Financial Officer)
(PAN : AZBPS0681B)

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

Place: Mumbai
Date: 13th May, 2025

ANNEXURE II

FORM NO MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
HP Adhesives Limited
Reg. Office: 11 Unique House,
Chakala Cross Road,
Andheri East, Mumbai 400099.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HP Adhesives Limited (CIN: L24304MH2019PLC325019)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit. I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 ("FEMA") and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the Audit Period)
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - (Not applicable to the Company during the Audit Period);

ANNEXURE II (CONTD.)

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the Audit Period);
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (h) Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018 to the extent applicable to the Company;
- (i) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 – (Not applicable to the Company during the Audit Period);
- (j) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - (Not applicable to the Company during the Audit Period);
- (k) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable to the Company during the Audit Period);

I have relied on the representation made by the Company, its Officers and on the reports given by designated professionals for systems and processes formed by the Company to monitor and ensure compliance under other applicable Acts, Laws and Regulations to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Company has passed the special resolutions in the 5th Annual General Meeting held on September 19, 2024, of the Company detailed as follows:

- a. To approve HP Adhesives Employee Stock Option Scheme – 2024.

I further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive, and Independent Directors.
- ii. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that the compliance by the Company for the applicable Financial Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, quarterly financial results under Regulation 33 of SEBI (LODR) Regulations, 2015 and the annual financial statements has not been reviewed in this audit report, since the same have been subject to the statutory financial audit by other designated professionals.

ANNEXURE II (CONTD.)

I further report that during the audit period no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Shivam Sharma & Associates
Company Secretaries

Shivam Sharma
Proprietor
M.No.: A35727, CP. No.: 16558
Peer Review Certificate No.: 1811/2022
UDIN: A035727G000924791

Date: August 04, 2025
Place: Mumbai

This report is to be read with my letter of even date which is annexed as "Annexure-A" and forms an integral part of this report

ANNEXURE II (CONTD.)

"Annexure-A" to the Secretarial Audit Report

To,
The Members,
HP Adhesives Limited
Reg. Office: 11 Unique House,
Chakala Cross Road,
Andheri East, Mumbai 400099.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test-check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Shivam Sharma & Associates
Company Secretaries

Shivam Sharma
Proprietor
M.No.: A35727, CP. No.: 16558
Peer Review Certificate No.: 1811/2022

Date: August 4, 2025
Place: Mumbai

ANNEXURE III

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION
AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014]

1. **Conservation of energy:**
The Company has a well-structured energy management system in place, and regular efforts are made to optimise process parameters and reduce energy consumption. The manufacturing units of the Company have continued their efforts to reduce energy consumption. In this year, the Company has implemented various energy conservation measures. Additionally, when modernising and upgrading production facilities, special attention is given to the selection of plant and equipment that meets best-in-class energy saving requirements. The other recognised significant activities for energy conservation this year were:
 - i. **Steps taken for conservation of energy:**
 - Solar Power Panels are installed on the roof top of factory unit II;
 - Quarterly training for staff members on energy-saving techniques;
 - A separate panel for each division to save electricity when only a portion of a segment is functioning;
 - Raised machine elevation to transfer material using gravitational pressure rather than pumps;
 - Created reusing of cleaning water technique for water based products;
 - Installed capacity improves electricity distribution and power factor;
 - STP Plant setup and water has been use for gardening and plantation;
 - Planted 500 trees in the factory premises and nearby area; and
 - Company is working on rain water harvesting.
 - ii. **Steps taken for utilising alternate energy sources:**
Solar Power Panels are installed on the roof top of factory unit II.
 - iii. **Capital investment in energy conservation equipment:**
The Company invested ₹ 1.25 Crs on Solar Power Panels.
2. **Technology absorption:**
 - i. **Efforts made towards technology absorption:**
R&D regularly creates new technologies and enhances our core technologies based on insights from technology, marketing, and application trends for many types of new products in adhesives, sealants, synthetic resins and other construction chemicals.
 - ii. **The benefits derived like product improvement, cost reduction, product development or import substitution:**
R&D innovations led to increased revenue and margins through new product launches, cost-saving measures, capacity debottlenecking, market-specific solutions and environmental compliance.
 - iii. **The Company has not imported any technology or process know-how, but it is regularly improving its machinery to assure more automation in order to eliminate human interaction and boost product standardisation.**
 - iv. **The Company has spent ₹ 54.43 Lakhs on Research and Development.**

ANNEXURE III (CONTD.)

3. Foreign exchange earnings and Outgo-

(₹ in Lakhs)		
Particulars	As on 31 st March, 2025	As on 31 st March, 2024
Total foreign exchange used	4,910.70	4,340.68
Total foreign exchange earned	2,538.27	1,984.26

For and on behalf of the Board of Directors
For **HP Adhesives Limited**

Place: Mumbai
Dates: 8th August, 2025

Mrs. Anjana Haresh Motwani
Chairperson & Executive Director
DIN: 02650184

Mr. Karan Haresh Motwani
Managing Director
DIN: 02650089

ANNEXURE IV

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies
(Corporate Social Responsibility Policy) Rules, 2014, as amended.]

1. A brief outline of the Company's CSR policy

Pursuant to the requirements of the Companies Act, 2013 and the rules made thereunder (as amended from time to time), your Company has framed a CSR Policy. The CSR policy of the Company encompasses its philosophy as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

Our Vision is to improve the quality of life for communities and create a positive impact on the Environment through interventions in the areas of socio-economic development, education, health, and sustainability. Our mission envisions working with communities through an inclusive and integrated approach, enabling everyone to realise their full potential for development and growth, as an individual, group, community, or society. Our mission therefore is to help create a healthy and caring society capable of contributing towards greater good for everyone.

The focus areas for CSR are Education and Healthcare, supported by CSR Activities in the areas of Women Empowerment, Water and Sanitation and Rural Development. Going forward, the Company will continue to focus on Education, Healthcare and Environment.

2. Composition of CSR Committee

Sr. No.	Name of the Director	Designation/ Nature of Directorship	Number of CSR Meeting held during the year	Number of meetings attended by Committee members
1.	Mrs. Anjana Haresh Motwani	Chairman (Executive Director)	1	1
2.	Mr. Ajeet Ananta Walavalkar	Member (Non-executive - Independent Director)	1	1
3.	Ms. Nidhi Haresh Motwani	Member (Executive Director)	1	1

3. Web-link of the Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company at <https://www.hpadhesives.com/investor-relations/>.

4. Provide the details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable

5. Average Net Profit of the Company as per Section 135(5)

- a. Average Net Profit of the Company for last three (3) financial years: ₹ 1710.09 Lakhs
- b. Two percent of average net profit of the Company as per Section 135(5): ₹ 34.20 Lakhs
- c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- d. Amount required to be set off for the Financial Year, if any: ₹ 0.55 Lakhs
- e. Total CSR obligation for the Financial Year [(b)+(c)–(d)]: ₹ 33.65 Lakhs

6. a. Amount spent on CSR Projects (both Ongoing Projects and other than Ongoing Projects): ₹ 40.91 Lakhs

b. Amount spent in Administrative Overheads: Nil

c. Amount spent on Impact Assessment, if applicable: Nil

d. Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 40.91 Lakhs

ANNEXURE IV (CONTD.)

- e. CSR amount spent or unspent for the financial year:

(₹ in Lakhs)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
40.91			N.A.		

- f. Excess amount for set off, if any:

(₹ in Lakhs)

Sr. No.	Particulars	Amount
i.	Two percent of average net profit of the Company as per Section 135(5) (₹ 0.55 Lakhs of excess amount set off during the year)	34.20
ii.	Total amount spent for the Financial Year	41.46*
iii.	Excess amount spent for the financial year [(ii)-(i)]	7.26
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	7.26

* Includes excess CSR spends of ₹ 0.55 Lakhs spent in the previous FY 2023-24, set-off in FY 2024-25.

7. Details of Unspent CSR amount for the preceding three (3) financial years:

(₹ in Lakhs)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under Section 135 (6)	Amount Spent in the financial year	Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(6), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1.	2023-24	--	--	--	--	--	--	--
2.	2022-23	--	--	--	--	--	--	--
3.	2021-22	--	--	--	--	--	--	--

8. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- a. Date of creation or acquisition of the capital asset(s): None
- b. Amount of CSR spent for creation or acquisition of capital asset: Nil
- c. Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- d. Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5).
– Not Applicable

For and on behalf of the Board of Directors
For HP Adhesives Limited

Place: Mumbai
Date: 8th August, 2025

Mrs. Anjana Haresh Motwani
Chairperson, CSR Committee
DIN: 02650184

Mr. Karan Haresh Motwani
Managing Director
DIN: 02650089

ANNEXURE V

STATEMENT OF DISCLOSURE OF REMUNERATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- i. Ratio of Remuneration of each Director to the median remuneration of all the employees of your Company and details of percentage increase in the remuneration of each Director for FY 2024-25 are as follows:

Sr. No	Name	Designation	Ratio of the remuneration to the median remuneration of the employees	% increase/ (decrease) in remuneration
1.	Mrs. Anjana Haresh Motwani	Chairperson & Executive Director	17.21	15%
2.	Mr. Karan Haresh Motwani	Managing Director	24.57	15%
3.	Ms. Nidhi Haresh Motwani	Executive Director	11.17	15%
4.	Mr. Surendra Kumar Mehta	Independent Director	0.92	--
5.	Mr. Rajendra Kumar Jain	Independent Director	0.92	--
6.	Mr. Ajeet Ananta Walavalkar	Independent Director	0.72	--

*Independent Directors are paid with sitting fees during FY 2024-25 as per the statutory provision and are within the prescribed limits.

- ii. Details of percentage increase in the remuneration of Chief Financial Officer and Company Secretary in FY 2024-25 are as follows:

Sr. No.	Name of KMP	Designation	% Increase/ (Decrease) in Remuneration
1.	Mr. Mihir Suresh Shah	Chief Financial Officer	15%
2.	Ms. Jyoti Nikunj Chawda	Company Secretary	15%

- iii. The percentage increase in the median remuneration of all employees in the financial year: The median remuneration of all employees in FY 2024-25 has increased by 12.28% as compared to the previous year.
- iv. Number of permanent employees on the rolls of the Company as of 31st March, 2025: 659 (Inclusive of workman)
- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: During FY 2024-25, the average increase in salaries other than managerial personnel was 6.17%, whereas managerial personnel average remuneration increased by 14.58%.
- vi. Affirmation: It is hereby affirmed that the remuneration paid during FY 2024-25 is as per the Company's Remuneration Policy.

For and on behalf of the Board of Directors
For HP Adhesives Limited

Place: Mumbai
Date: 8th August, 2025

Mrs. Anjana Haresh Motwani
Chairperson & Executive Director
DIN: 02650184

Mr. Karan Haresh Motwani
Managing Director
DIN: 02650089

CORPORATE GOVERNANCE REPORT

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Board of Directors of HP Adhesives Limited ("the Company") have pleasure in presenting the Company's Report on Corporate Governance for the Financial Year ended 31st March, 2025.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's, Corporate Governance is not merely a set of obligations, but a strong business enabler that underpins our core values of business ethics, customer centricity, pride, quality, respect and team work. We believe that good governance is essential for sustainable value creation and long-term business success.

Your Company takes utmost care to safeguard the interests of all its stakeholders. Your Company's governance structure comprises the Board of Directors and the Committees of the Board at the apex level and the management structure at the operational level.

The Board decides significant policies and business matters with full participation of non-executive directors, who impart the benefit of their vast experience and skills to bring qualitative improvement to the decision-making process.

2. BOARD OF DIRECTORS

A. COMPOSITION AND CATEGORY OF THE BOARD

The composition of the Board of Directors of the Company reflects a balanced mix of experience, expertise and independence, aligned with the requirements of the Companies Act, 2013 ("Act") and the SEBI Listing Regulations.

As of 31st March, 2025, the Board of Directors comprised of 6 Directors, of whom 3 were Non-Executive Independent Directors, 3 were Executive Directors (including Chairperson and Managing Director). Further, there were no changes in the Board Composition during FY 2024-25:

Name of the Director	DIN	Category	No. of Equity Shares Held	Qualification/ Experience	No. of other Directorship*	Membership in Committee*#	
						As member	As Chairperson
Karan Haresh Motwani	02650089	Managing Director, Promoter	2,68,50,000	Bachelor of Management Studies and the Post Graduate Programme in Management (more than 15 years)	1	--	--
Anjana Haresh Motwani	02650184	Chairperson & Executive Director, Promoter	2,87,00,675	Bachelors' degree in Arts (Special), Diploma in Administrative Management and Diploma in Export Business Management (more than 40 years)	1	--	--
Nidhi Haresh Motwani	06655834	Executive Director	1,00,00,000	Bachelor of Business Administration and Masters of Global Business Management (more than 9 years)	--	--	--
Rajendra Kumar Jain	00144095	Independent Director	--	Bachelor of Commerce, Master's degree in commerce (specialising in business administration) Qualified Company Secretaries and Law graduate (more than 18 years)	1	1	--
Surendra Kumar Mehta	09211358	Independent Director	--	Bachelor of Commerce, Qualified Chartered Accountant and Company Secretary (more than 30 years)	--	--	--
Ajeet Anant Walavalkar	09226644	Independent Director	--	Bachelor of Electrical Engineering (more than 40 years)	--	--	--

*Excludes directorships and membership in our Company. Also excludes directorship in private limited companies, foreign companies and companies registered under Section 8 of the Act and Government Bodies.

#For the purpose of calculating membership, only Audit and Stakeholders' Relationship Committee of public limited companies, whether listed or not, are considered – Regulation 26(1) of Listing Regulations.

CORPORATE GOVERNANCE REPORT (CONTD.)

The Board structure is in compliance with Regulation 17 of the SEBI Listing Regulations.

The Directors are eminently qualified and experienced professionals in industrial, managerial, business, finance, marketing and corporate management that allow them to make effective contribution to the Board and its Committees. The Directors attend the meetings and actively participate in the deliberations by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc., which adds value in the decision making process of the Board of Directors. The Board sets out the overall corporate objectives and provides direction and independence to the management to achieve these objectives for value creation through sustainable profitable growth. The Board meets at least once in a quarter to consider amongst other matters, the quarterly operational performance of the Company and financial results.

None of the Directors hold directorship in more than ten public companies and does not serve as a Director in more than seven listed companies, across all their directorships held, including that in the Company. Further, none of the Directors of the Company is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a Director.

The Company has an Executive Director as a Chairperson. The roles of the Chairperson and the Managing Director are distinct and separate.

All the directors of the Company have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations.

B. BOARD MEETINGS

Board Procedure

The Board meets at regular intervals to discuss and decide on business policies and review the financial performance of the Company. Board meetings are communicated by giving appropriate notice to the Directors. The Board of Directors met Five (5) times during the FY 2024-25 and the gap between two board meetings did not exceed the period of one hundred and twenty days (120). The necessary quorum was present for all the meetings.

The dates on which the Board Meetings were held are as follows:

- 14th May, 2024;
- 02nd July, 2024;
- 12th August, 2024;
- 13th November, 2024; and
- 12th February, 2025.

C. ATTENDANCE RECORD OF THE DIRECTORS FOR THE FY 2024-25

Name of the Director	Board Meeting	Last AGM – 19 th September, 2024
Karan Haresh Motwani	5 out of 5	Yes
Anjana Haresh Motwani	5 out of 5	Yes
Nidhi Haresh Motwani	5 out of 5	Yes
Rajendra Kumar Jain	5 out of 5	Yes
Surendra Kumar Mehta	5 out of 5	Yes
Ajeet Anant Walavalkar	5 out of 5	Yes

D. LIST OF DIRECTORSHIP HELD IN OTHER LISTED COMPANIES

Name of the Director	Name of Listed Entity	Category of Directorship
Karan Haresh Motwani	--	--
Anjana Haresh Motwani	--	--
Nidhi Haresh Motwani	--	--
Rajendra Kumar Jain	G R Infraprojects Limited	Non-Executive Independent Director
Surendra Kumar Mehta	--	--
Ajeet Anant Walavalkar	--	--

CORPORATE GOVERNANCE REPORT (CONTD.)

E. INTER-SE RELATIONSHIP AMONG THE DIRECTORS

Except as stated below, none of the other Directors are related to each other.

Name of the Director	Name of Director	Relationship
Anjana Haresh Motwani	Karan Haresh Motwani	Mother and Son
	Nidhi Haresh Motwani	Mother and Daughter
Karan Haresh Motwani	Nidhi Haresh Motwani	Brother and Sister

F. RESPONSIBILITIES OF THE BOARD

The Board Members are responsible for the management of the business. Role, functions, responsibilities and accountability of the Board are clearly defined. In addition to its primary role of monitoring corporate performance, functions of the Board include, but does not restrict to the following:

- formulation of strategic and business plans;
- reviewing and approving financial plans and budgets;
- monitoring corporate performance against strategic and business plans, including overseeing operations;
- ensuring ethical behaviour and compliance with laws and regulations; and
- keeping shareholders informed regarding plans, strategies and performance.

G. INDEPENDENT DIRECTORS

Independent Directors are essential in the Board's decision making process, bringing with them a diverse range of experience, expertise, and knowledge to oversee the Company's performance and overall strategy. Their unbiased and focused insights are invaluable. They are committed and devote sufficient time to the Company.

Independent Directors are Non-executive Directors as defined under SEBI Listing Regulations read with Section 149(6) of the Act. All Independent Directors have confirmed that they met the criteria as mentioned under SEBI Listing Regulations and Section 149(6) of the Act. Further, they have declared that they do not fall under any disqualifications specified under the Act.

The Independent Directors do not have any material pecuniary relationship or transactions with the Company, Promoters or Management, which may affect their judgement in any manner.

The Board of Directors hereby confirms that in its opinion, the Independent Directors of the Company fulfil the conditions as specified in the SEBI Regulations and are independent of the management.

H. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

In Compliance with the Act and Regulation 25 of SEBI Listing Requirements, the Independent Directors Meeting of the Company was held on 12th February, 2025. The Independent Directors discussed and reviewed the matters specified in Regulation 25(4) of the SEBI Listing Regulations. Mr. Surendra Kumar Mehta Chaired the meeting of Independent Directors.

Attendance of Independent Directors in Independent Directors Meeting:

Directors	Meetings held during Year	Meetings Attended
Mr. Surendra Kumar Mehta	1	1
Mr. Rajendra Kumar Jain	1	1
Mr. Ajeet Anant Walavalkar	1	1

I. FAMILIARISATION PROGRAMME

The Familiarisation Program for Independent Directors is uploaded on the website of the Company and is accessible at www.hpadhesives.com.

CORPORATE GOVERNANCE REPORT (CONTD.)

J. COMPLIANCE FRAMEWORK

The Company has a robust and effective framework for monitoring compliances with applicable laws within the organisation and providing updates to senior management and the Board periodically. The Audit Committee and the Board of Directors periodically review the status of the compliances with the applicable laws.

K. CODE OF CONDUCT

Your Company has a Code of Conduct for Directors and senior management that reflects high standards of integrity and ethics. This Code is available on the Company's website www.hpadhesives.com. The Directors and senior management of the Company have affirmed their adherence to this Code of Conduct for FY 2024-25 as required under Regulation 34 of the SEBI Listing Regulations a declaration to that effect signed by Mr. Karan Haresh Motwani, Managing Director has been obtained.

L. BOARD EVALUATION AND ASSESSMENT

The Board Evaluation is an essential part of the Company's commitment to good corporate governance. By conducting an annual evaluation of its Board, Committees and individual Directors, the Company demonstrates its commitment to transparency, accountability and effective governance. It enables the Board to identify areas where it can improve its performance and ensures that the Company's governance practices remain in line with best practices.

The Company's governance guidelines require an annual evaluation of all Board Members, the Board as a whole and its mandatory Committees. These mandatory Committees includes the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The purpose of the evaluation is to assess the performance of the Board and its Committees and identify areas for improvement.

During FY 2024-25, the Board, its Committees and Individual Directors, including the Chairman, underwent a comprehensive performance evaluation process. The feedback received from the Directors was discussed and reviewed by the Independent Directors at their separate Annual Meeting held on 12th February, 2025, and also shared with the Board. The Independent Directors in the said meeting also evaluated the quality, quantity and timeliness of the flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

M. CHART SETTING OUT SKILLS/ EXPERTISE/ COMPETENCE OF THE BOARD

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute to deliberations at Board and Committee meetings. As required under Schedule V of the Listing Regulations, the below matrix summarises a mix of skills, expertise and competencies possessed by our individual Directors, which are key to corporate governance and Board effectiveness:

Skills Identified	Definition
Experience and Industry Knowledge	Industry experience through detailed knowledge of the Company or the sector in which it operates, as well as those who understand the broader industry environment.
Financial & Accounts	Management of the finance function of an enterprise, resulting in proficiency in complex financial management, capital allocation and financial reporting processes.
Corporate Governance	Service on a public listed company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing best governance practices.
General Management and Leadership	Extended leadership experience resulting in a practical understanding of organisations, processes, strategic planning. General know how of business management, talent management & development, compliance with applicable regulations and workplace health & safety.
Technology and Development	A significant background in technology, resulting in knowledge as to how to anticipate technological trends, generate innovation and extend or create new business models.
Sales & Marketing	Experience in developing strategies to grow sales and market share, build brand competitiveness, awareness and equity, and build a strong corporate reputation.
Business Development	Suggesting innovative new ideas and formulation of new strategies for the business, keeping in mind the changing requirements of the industry and customers.

CORPORATE GOVERNANCE REPORT (CONTD.)

In the table below, the key skills, expertise and competence of the Board of Directors in the context of the Company's business for effective functioning and as available with the Board have been highlighted.

	Parameters	Karan Haresh Motwani	Anjana Haresh Motwani	Nidhi Haresh Motwani	Rajendra Kumar Jain	Surendra Kumar Mehta	Ajeet Anant Walavalkar
1.	Experience and Industry Knowledge	✓	✓	✓	✓	✓	✓
2.	Financial & Accounts	✓	✓	--	✓	✓	--
3.	Corporate Governance	✓	✓	✓	✓	✓	✓
4.	General Management and Leadership	✓	✓	✓	✓	✓	✓
5.	Technology and Development	✓	--	✓	--	--	--
6.	Sales & Marketing	✓	✓	✓	--	--	✓
7.	Business Development	✓	✓	✓	--	--	✓

3. COMMITTEES OF THE BOARD

As permitted under applicable laws, the Board has delegated certain functions to its various committees that are established for that purpose. These committees conduct detailed reviews of the items under their purview before presenting them to the Board for its consideration. The committees constituted by the Board are dedicated to specific areas and have the delegated authority to make informed decisions within their respective scopes. The committees operate under the direct supervision of the Board. Generally, committee meetings are held before the Board Meeting and the chairperson of each committee updates to the Board about the deliberations and decisions taken by the committees. They also provide specific recommendations to the Board on matters within their purview. All decisions and recommendations made by the committees are presented to the Board for either approval or information. During the year under review, all recommendations made by all the committees were accepted by the Board.

The Board has constituted the following Committees to take informed decisions in the best interests of the Company in accordance with the provisions of the Act and the SEBI Listing Regulations:

A. AUDIT COMMITTEE

The Audit Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The majority of the members of the Committee, including the Chairman are Independent Directors.

The composition of the Audit Committee and the scope of its activities and powers are in conformity with and include the areas prescribed under Regulation 18 of the SEBI Listing Regulations and Section 177 of the Act and the rules framed thereunder. All Members of the Audit Committee are financially literate. The Audit Committee invites the Statutory Auditor and the Internal Auditor for one-on-one discussions on a quarterly basis. The Chief Financial Officer is also present at the meetings of the Audit Committee. The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 19th September, 2024.

The terms of reference of the Audit Committee (AC) cover the areas mentioned in Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations. The brief terms of reference of the AC, inter-alia includes the following:

- Oversight the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, replacement, reappointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditor's for any other services rendered by the statutory auditor's;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

CORPORATE GOVERNANCE REPORT (CONTD.)

- a. matters required to be included in the Director's Responsibility Statement to be included in the Board's report, in terms of the Act;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
 - Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 - Review and monitor the auditor's independence and performance and the effectiveness of the audit process;
 - Subject to and conditional upon approval of our Board, approval of related party transactions or subsequent modifications thereto. Such approval can be in the form of omnibus approval of related party transactions, subject to conditions not inconsistent with the conditions specified in Regulation 23(2) and Regulation 23(3) of the SEBI Listing Regulations;
 - Subject to review by our Board, review on a quarterly basis, of related party transactions entered into by our Company pursuant to omnibus approval given;
- Explanation: The term "related party transactions" shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Act.
- Scrutinise inter-corporate loans and investments;
 - Valuation of undertakings or assets of the Company, wherever it is necessary;
 - Evaluation of internal financial controls and risk management systems;
 - Review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - Discussion with internal auditors of any significant findings and follow up there on;
 - Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
 - Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern;
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - To review the functioning of the whistle blower mechanism;
 - Oversee the procedures and processes established to attend to issues relating to the maintenance of books of accounts, administrations procedures, transactions and other matters having a bearing on the financial position of our company, whether raised by the auditors or by any other person;

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- Act as a compliance committee to discuss the level of compliance in our Company and any associated risks and to monitor and report to the Board any significant compliance breaches;
- Approve the appointment of Chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Oversee the vigil mechanism established by our Company and the chairman of the audit committee shall directly hear grievances of victimisation of employees and directors, who use vigil mechanism to report genuine concerns; and
- Carrying out any other function as is mentioned in the terms of reference of the audit committee and any other terms of reference as may be decided by the board of directors of our company or specified/provided under the Act or by the SEBI Listing Regulations or by any other regulatory authority.

There were Four (4) Audit Committee Meetings held during FY 2024-25 as follows:

- 14th May, 2024;
- 12th August, 2024;
- 13th November, 2024; and
- 12th February, 2025.

Details of committee composition and attendance for the said meeting is given below:

Names of Directors	Designation	No. of meetings attended
Mr. Surendra Kumar Mehta	Chairman	4 out of 4
Mr. Rajendra Kumar Jain	Member	4 out of 4
Mr. Karan Haresh Motwani	Member	4 out of 4

The Company Secretary of the Company acts as Secretary to the Committee.

B. NOMINATION AND REMUNERATION (NRC) COMMITTEE

The Nomination and Remuneration Committee presently consists of three Non-Executive Directors, all being Independent. The Committee met twice in FY 2024-25 on 12th August, 2024 and 13th November, 2024. The necessary quorum was present for the said meeting. The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company held on 19th September, 2024.

The terms of reference of the Nomination and Remuneration Committee (NRC) cover the areas mentioned in Section 178 of the Act and Regulation 19 read with Part D (A) of Schedule II to the SEBI Listing Regulations. The terms of reference of the NRC, inter-alia are as follows:

- Formulating and recommending to the Board of Directors for its approval and also to review from time to time, a nomination and remuneration policy or processes, as may be required pursuant to the provisions of the Companies Act;
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Identifying persons who are qualified to become directors and persons who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Recommending to the board, all remuneration, in whatever form, payable to senior management;

CORPORATE GOVERNANCE REPORT (CONTD.)

- Recommending to the Board, qualifications, appointment, remuneration and removal of Directors, key management personnel and persons in senior management positions in accordance with the nomination and remuneration policy;
- Devising a policy on diversity of board of directors;
- Carrying out performance evaluation of every Director in accordance with the nomination and remuneration policy;
- Considering grant of stock options to the eligible Directors, formulating detailed terms and conditions of employee stock option scheme and administering and exercising superintendence over employee stock option schemes;
- Engaging the services of any consultant/ professional or other agency for the purpose of recommending compensation structure/ policy; and
- Performing such other activities as may be delegated by the Board or specified or provided under the Companies Act, 2013 or the SEBI LODR Regulations, and the rules and regulations made thereunder or other applicable law, including any amendments thereto as may be made from time to time.

Details of committee composition and attendance for the said meetings are given below:

Names of Directors	Designation	No. of meetings attended
Mr. Surendra Kumar Mehta	Chairman	2 out of 2
Mr. Rajendra Kumar Jain	Member	2 out of 2
Mr. Ajeet Ananta Walavalkar	Member	2 out of 2

The Company Secretary of the Company acts as Secretary to the Committee.

Nomination and Remuneration Policy:

Your Company has a well-defined Policy for the Remuneration of the Directors, Key Managerial Personnel and other Employees. The Nomination and Remuneration Policy has been formulated to provide a framework for the nomination, evaluation and remuneration of members of the board of directors of the Company (the "Board"), key managerial personnel ("KMPs"), and other employees of the Company. This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Act and the rules made thereunder, as amended (the "Act") and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, as amended. The policy has been placed on the website of the Company at <https://www.hpadhesives.com/investor-relations/>.

Performance Evaluation:

The criteria for performance evaluation cover the areas relevant to the performance, participation, conduct, effectiveness etc. The performance evaluation of Independent Directors was done by the entire Board of Directors and the Directors subject to evaluation had not participated in the same. The Independent Directors evaluated the performance of Non-Independent Directors and Board as a whole.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations, the Company has formed Stakeholders' Relationship Committee, composition and terms of reference of which are in conformity with the said provisions. The policy of the Committee can be accessed on the Company's website at <https://www.hpadhesives.com/investor-relations/>.

The terms of reference of the Stakeholders Relationship Committee (SRC) covers the areas mentioned in Section 178 (5) of the Act and Regulation 20 read with Part D (B) of Schedule II to the SEBI Listing Regulations. The terms of reference of the SRC, inter-alia are as follows:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

CORPORATE GOVERNANCE REPORT (CONTD.)

- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company; and
- Any other matter as prescribed by the Companies Act, 2013 & Rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 or such other Regulation prescribed by the SEBI from time to time.

There was One (1) Stakeholders' Relationship Committee Meeting held during FY 2024-25 on 12th February, 2025.

Details of committee composition and attendance for the said meeting is given below:

Names of Directors	Designation	No. of meetings attended
Mr. Surendra Kumar Mehta	Chairman	1 out of 1
Mr. Rajendra Kumar Jain	Member	1 out of 1
Mr. Ajeet Ananta Walavalkar	Member	1 out of 1

Mrs. Jyoti Nikunj Chawda, Company Secretary is the "Compliance Officer" who oversees the redressal of the investor grievances.

Investor Grievances / Complaints

The details of the Investor Complaints received and resolved during the Financial Year ended 31st March, 2025 are as follows:

Complaints Pending as on 01 st April, 2024	Complaints Received during the year	Complaints Resolved During the year	Complaints Pending as on 31 st March, 2025
0	0	0	0

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with provisions of Section 135 of the Act, the Board has formed the Corporate Social Responsibility (CSR) Committee. The Composition and terms of reference of the Committee are in conformity with the said provisions. The Charter of the Committee can be accessed on the Company's website at <https://www.hpadhesives.com/investor-relations/>.

The terms of reference of the Corporate Social Responsibility Committee inter-alia are as follows:

- Formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the Company in accordance with the provisions of Schedule VII of the Act;
- Formulate and recommend to the Board an Annual action plan in pursuance to the CSR Policy;
- Recommend to the Board the amount of expenditure to be incurred on the activities referred to in the CSR policy;
- Performing such other duties and responsibilities as may be consistent with the provisions of the CSR policy of the Committee; and
- Monitor the CSR Policy and its implementation from time to time.

There was One (1) Corporate Social Responsibility Committee Meeting held during FY 2024-25 i.e. on 12th February, 2025.

The details of committee composition and attendance for the said meetings are given below:

Names of Directors	Designation	No. of meetings attended
Mrs. Anjana Haresh Motwani	Chairman	1 out of 1
Mr. Ajeet Ananta Walavalkar	Member	1 out of 1
Ms. Nidhi Haresh Motwani	Member	1 out of 1

The Company Secretary of the Company acts as Secretary to the Committee.

CORPORATE GOVERNANCE REPORT (CONTD.)

4. PARTICULARS OF SENIOR MANAGEMENT INCLUDING THE CHANGES THEREIN SINCE THE CLOSE OF THE PREVIOUS FINANCIAL YEAR

Name	Designation	Changes, if any
Mr. Mihir Suresh Shah	Chief Financial Officer	No change
Ms. Jyoti Nikunj Chawda	Company Secretary	No change
Mr. Saurabhraj Bhatt	VP – Sales and Marketing	No change

5. REMUNERATION OF DIRECTORS

The remuneration paid to the Directors of the Company is in accordance with the applicable provisions of the Companies Act, and the SEBI Listing Regulations and in line with the remuneration policy of the Company. The remuneration policy is available on the website of Company <https://www.hpadhesives.com/investor-relations/>.

The details of remuneration of Directors are provided in Form MGT-7 (Annual Return) which is hosted on the website of the Company and can be accessed at <https://www.hpadhesives.com/investor-relations/>.

A. PECUNIARY RELATIONSHIP AND/ OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS WITH THE LISTED ENTITY

During the year under review, there were no pecuniary relationships or transactions between the Non-executive Directors and the Company, apart from remuneration paid by way of sitting fees to the Independent Directors.

B. CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board.

C. REMUNERATION PAID TO NON-EXECUTIVE DIRECTORS

(₹ in Lakhs)

Particulars of Remuneration	Name of the Director		
	Mr. Surendra Kumar Mehta	Mr. Rajendra Kumar Jain	Mr. Ajeet Ananta Walavalkar
Category	Independent Director		
Fees for attending Board and Committee Meeting	3.50	3.50	2.75
Commission, if any (in ₹)	0	0	0
Other	0	0	0
Total	3.50	3.50	2.75

D. REMUNERATION PAID TO EXECUTIVE DIRECTORS

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Name of the Director		
		Mr. Karan Haresh Motwani	Mrs. Anjana Haresh Motwani	Ms. Nidhi Haresh Motwani
	Category	Managing Director	Chairperson & Executive Director	Executive Director
1.	Gross salary	90.87	63.20	41.08
2.	Contribution to Provident Fund	0.22	0.22	0.22
3.	Gratuity	1.71	1.19	0.77
4.	Insurance Premium	0.91	1.03	0.52
5.	Commission, if any	0.00	0.00	0.00
	Total	93.70	65.64	42.59

CORPORATE GOVERNANCE REPORT (CONTD.)

6. DETAILS OF GENERAL BODY MEETINGS

A. ANNUAL GENERAL MEETING:

The details of the Annual General Meeting held during the last three years:

AGM	Year	Day, Date & Time	Venue/ Mode	Resolution	Brief description of Resolutions
3 rd AGM	2022	Tuesday, 27 th September, 2022 at 03:00 p.m.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Ordinary	1. To receive, consider and adopt the audited financial statements for the financial year ended 31 st March, 2022 and the Reports of the Directors and Auditors thereon.
				Special	2. To appoint a Director in place of Ms. Nidhi Haresh Motwani (DIN: 06655834), who retires by rotation and being eligible offers herself for reappointment.
4 th AGM	2023	Friday, 29 th September, 2023 at 03:00 p.m.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")	Ordinary	3. To approve payment of remuneration to Executive Directors who are members of the Promoter group in excess of 5% of the net profits of the Company in a year as per Regulation 17(6)(e)(ii) of SEBI (LODR) Regulations, 2018.
				Special	1. To receive, consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 st March, 2023 together with the reports of the Board of Directors and Statutory Auditors thereon.
5 th AGM	2024	Thursday, 19 th September, 2024 at 12:00 noon	Registered Office: 11 Unique House, Chakala Cross Road, Andheri (East), Mumbai 400099.	Ordinary	2. To appoint a Director in place of Mrs. Anjana Haresh Motwani (DIN: 02650184), who retires by rotation and being eligible offers herself for re-appointment.
				Special	3. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution for split/ sub-division of 1 (One) Equity Share of the Company of the face value of ₹ 10/- (Rupees Ten Only) each into 5 (Five) Equity Shares of ₹ 2/- (Rupees Two Only) each.
				Ordinary	4. To consider and if thought fit, to pass with or without modification, the following as an Ordinary Resolution for Alteration of Capital Clause of the Memorandum of Association of the Company.
				Special	1. Adoption of the Balance Sheet of the Company as on 31 st March, 2024 and statement of profit and loss for the year ended along with the reports of the auditors and directors of the Company thereon.
				Ordinary	2. To declare a final dividend of ₹ 0.30 per equity share of ₹ 2 each of the Company for the financial year ended 31 st March, 2024.
				Ordinary	3. To appoint a Director in place of Ms. Nidhi Haresh Motwani (DIN: 06655834), who retires by rotation and being eligible offers herself for re-appointment.
				Special	4. To approve HP Adhesives Employee Stock Option Scheme – 2024

CORPORATE GOVERNANCE REPORT (CONTD.)

B. POSTAL BALLOT

No resolutions were passed through postal ballot during the last financial year.

7. MEANS OF COMMUNICATION

WEBSITE: The Company's website www.hpadhesives.com contains a separate section 'Shareholders' for the use of investors. The Quarterly, Half-yearly and Annual Financial Results are promptly displayed on the website. Notices, Annual Reports, Quarterly Shareholding Pattern, Corporate Announcement and other Communication are also available on the website.

FINANCIAL RESULTS: The Quarterly, Half-yearly and Annual Results are regularly posted by the Company on its website. These are also submitted to the Stock Exchanges i.e. NSE and BSE in accordance with Listing Regulations.

NEWSPAPER RESULTS: The Quarterly, Half-yearly and Annual Results are normally published in Free Press Journal (English) and Navshakti (Marathi) newspapers, within 48 hours of its approval.

ANNUAL REPORT: Annual Report containing interalia, salient features of the Audited Financial Statements, Director's Report (Including Management Discussion and Analysis), Corporate Governance Report and other important information is circulated to members and others entitled thereof.

There were no presentations made to institutional investors or analysts during the year.

8. GENERAL SHAREHOLDER INFORMATION

➤	Incorporation Date	07 th May, 2019
➤	Registered Office Address	11 Unique House, Chakala Cross Road, Andheri East, Mumbai 400099.
➤	Corporate Office Address	501, 5 th Floor, C Wing, Business Square, Chakala, Andheri East, Mumbai 400093.
➤	CIN	L24304MH2019PLC325019
➤	Date, time and Venue of the Annual General Meeting	Date: 30 th September, 2025 at 3:00 P.M. (IST) Venue: Through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") Facility.
➤	Financial year	01 st April, 2024 to 31 st March, 2025
➤	Dividend Payment Date	The Final Dividend of ₹ 0.40/- per equity share has been recommended by the Board of Directors of the Company for the financial year ended 31 st March, 2025, and if approved at the ensuing AGM will be paid to the eligible Members on and after Tuesday, 30 th September, 2025.
➤	Name and Address of Stock Exchange	The equity shares of the Company are listed on National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). NSE: Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051. BSE: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.
➤	Stock Code	NSE: HPAL BSE: 543433
➤	ISIN	INE0GSL01024
➤	Payment of Listing Fees	The Company has paid the annual listing fees for the relevant periods to NSE and BSE where its equity shares are listed.

CORPORATE GOVERNANCE REPORT (CONTD.)

➤	Registrar & Share Transfer Agent	Bigshare Services Private Limited Registered Office: E-3, Ansa Industrial Estate, Saki Vihar Road, Sakinaka, Mumbai 400072. Tel. No.: 022-62638200 Fax. No.: 022-62638299 E-mail: investor@bigshareonline.com Website: www.bigshareonline.com
➤	In case securities are suspended from Trading	Not applicable
➤	Share Transfer System	The Company's shares are traded under compulsory dematerialised mode. The Board of Directors have delegated the power to attend all the formalities relating to the transfer of securities to the Registrar and Share Transfer Agent of the Company.
➤	Dematerialisation of shares and liquidity	As of March 2025, 100% of the total equity capital was held in dematerialised form with National Securities Depository Limited and Central Depository Services (India) Limited. The Company's shares are regularly traded on BSE and NSE.
➤	Outstanding Global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on liquidity	Not applicable since the Company has not issued any Global Depository Receipts or American Depository Receipts or Warrants or Convertible bonds.
➤	Plant Locations	1. Survey No. 7, Village Narangi, Tal. Khalapur, Dist. Raigad - 402107, Maharashtra. 2. Plot No. 21A, Aditya Industrial Estate, Village Kumbhvali, Tal. Khalapur, Dist. Raigad - 402107, Maharashtra.
➤	Address for correspondence	Bigshare Services Private Limited Office No S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai 400093. Tel. No. : 022-62638200 E-mail : shwetash@bigshareonline.com Company Secretary & Compliance Officer HP Adhesives Limited 501, 5 th Floor, C Wing, Business Square, Chakala, Andheri East, Mumbai 400093. Tel. No.: 022- 6819 6300 Email: investors@hpadhesives.com
➤	Commodity price risk or foreign exchange risk and commodity hedging activities	The Company actively monitors foreign exchange movements and takes appropriate steps to reduce the risks associated with transactions in foreign currencies.
➤	Credit Ratings and any revisions thereto for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilisation of funds, whether in India or abroad	The Company did not have any debt instruments or any fixed deposit programme or any scheme or proposal during the year under review. The rating given by CARE for short-term borrowings and long-term borrowings of the Company are A3+ and BBB-/ Positive respectively.

CORPORATE GOVERNANCE REPORT (CONTD.)

STOCK PRICE DATA:

MARKET PRICE DATA FOR THE PERIOD FROM 01st APRIL, 2024 TO 31ST MARCH, 2025:

Month	BSE		NSE	
	High	Low	High	Low
April, 2024	108.97	96.80	108.80	96.55
May, 2024	107.00	96.30	106.00	96.45
June, 2024	102.00	88.41	101.55	87.50
July, 2024	105.00	93.05	105.00	93.30
August, 2024	107.50	95.10	107.50	95.00
September, 2024	102.26	90.85	102.30	90.85
October, 2024	93.60	79.90	92.00	79.68
November, 2024	87.99	75.01	85.59	75.30
December, 2024	86.66	76.80	86.50	76.73
January, 2025	82.06	55.37	82.40	54.84
February, 2025	71.20	45.52	71.00	45.00
March, 2025	54.20	42.77	54.49	42.65

Distribution of Shareholding as on 31st March, 2025:

Sr. No.	Category (Shares)	Number of Holders	% Holders	Shares	% Equity
1	1 - 500	51,066	86.62	62,52,200	6.81
2	501 - 1000	3,994	6.77	31,09,651	3.38
3	1001 - 2000	2,007	3.40	29,43,637	3.20
4	2001 – 3000	782	1.33	19,88,637	2.16
5	3001 – 4000	310	0.53	11,05,618	1.20
6	4001 – 5000	269	0.46	12,56,567	1.37
7	5001 - 10000	349	0.59	24,93,870	2.71
8	10001 and above	180	0.31	7,27,24,555	79.16
	Total	58,957	100.00	9,18,74,735	100.00

Shareholding Pattern as on 31st March, 2025:

Category	No. of Shares held	% of Shares held
Promoters Holding [A]		
Indian promoters	6,55,50,675	71.35
Foreign promoters	--	--
Sub-total A	6,55,50,675	71.35
Public Holding [B]		
Institutional Investors B1		
Mutual Funds	25,94,000	2.82
Financial Institutions/ Banks	28,000	0.03
Foreign Portfolio Investors	1,46,712	0.16
Insurance Companies	--	--
Central Government/ State Government	--	--
Sub-total B1	27,68,712	3.01
Non-Institutional Investors B2		
Retail Individuals	2,08,26,077	22.67
Bodies Corporate	3,69,855	0.40
Clearing Members	36,882	0.04
Non-Resident Indians (NRI)	16,19,799	1.76

CORPORATE GOVERNANCE REPORT (CONTD.)

Category	No. of Shares held	% of Shares held
Hindu Undivided Family	7,02,735	0.76
Directors And their relatives (Non-Promoter)	--	--
Trust	--	--
Sub-total B2	2,35,55,348	25.64
Non-Promoter Non-Public Holding [C]	--	--
Grand total (A+B+C)	9,18,74,735	100.00

9. DISCLOSURES:

i. Related Party Transactions

The Company did not enter into any materially significant related party transactions, which had a potential conflict with the interest of the Company at large. The related party transactions entered into with the related parties are as defined under the Companies Act, 2013 and the Listing Regulations. Further, the transactions were in the ordinary course of business and the same have been approved by the Audit Committee and Board of Directors. Transactions with the related parties are disclosed under Schedule 41 to the financial statements in the Annual Report. The Board of Directors has approved a policy of related party transactions which has been uploaded on the website of the Company www.hpadhesives.com.

ii. Strictures and Penalties

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines of SEBI and other regulatory authorities. Consequently, no penalties were imposed or strictures passed against the Company by SEBI, Stock Exchanges or any other statutory authorities on any matter relating to capital markets from the date of listing i.e. 01st April, 2024 till 31st March, 2025.

iii. Vigil Mechanism (Whistle Blower Policy)

The Company has a vigil mechanism called 'Whistle Blower Policy' with a view to provide a mechanism for Directors and employees of the Company to raise concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statement and reports etc. The policy also includes reporting of instances relating to leak of Unpublished Price Sensitive Information. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. No person has been denied access to the Audit Committee.

iv. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

During the period under review, your Company has complied with all the mandatory requirements of SEBI Listing Regulations. In terms of Corporate Governance, the Company has complied with the applicable requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the SEBI Listing Regulations and has obtained a certificate from Mr. Shivam Sharam, our Secretarial Auditor regarding the compliance of conditions of Corporate Governance. The Certificate is also annexed to this report as Annexure I.

The provisions of Schedule V Part C, of the SEBI Listing Regulations further state that the non-mandatory requirements adopted by the Company be specifically highlighted in the Corporate Governance Report. Accordingly, Company has complied with the following non-mandatory requirements:

- The Company's financial statement for the year ended 31st March, 2025 does not contain any modified Audit opinion; and
- The Internal Auditor of the Company directly report to the Audit Committee of the Board of Directors.

v. Weblink where policy for determining 'Material' subsidiary is disclosed

The Company does not have any subsidiary and hence policy for determining the material subsidiary is not applicable.

vi. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

Your company actively monitors foreign exchange movements and takes appropriate steps to reduce the risks associated with transactions in foreign currencies.

CORPORATE GOVERNANCE REPORT (CONTD.)

vii. Details of Utilisation of Funds Raised through Initial Public Offer

A detailed table showing the utilisation of funds raised through IPO forms part of the Board's report.

viii. Certificate from Practicing Company Secretary

Certificate, as required under Part C of Schedule V of the Listing Regulations, has been obtained from Mr. Shivam Sharma, Practicing Company Secretary, stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority(ies). The Certificate is also annexed to this report as Annexure II.

ix. Non-acceptance of any recommendation of the Committees by the Board

During the year under review, there were no instances of non-acceptance of any recommendation of any statutory committee of the Board.

x. Total fees paid to Statutory Auditors

During the FY 2024-25 the Company had paid total fees of ₹ 20 Lakhs to M/s Priya Choudhary & Associates LLP (Firm Registration No.: 011506C), Statutory Auditor for all the services provided by them.

xi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a.	Number of complaints pending at the beginning of the FY 2024-25	0
b.	Number of complaints filed during the FY 2024-25	0
c.	Number of complaints disposed off during the FY 2024-25	0
d.	Number of complaints pending as on end of the FY 2024-25	0

xii. Loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount

There are no loans and advances in the nature of loans to firms/companies in which directors are interested.

xiii. Statutory and Regulatory Compliance

The Company also has been following directions/ guidelines/ circulars issued by Income Tax Authority, Securities and Exchange Board of India and Ministry of Corporate Affairs from time to time, as applicable to the Company.

xiv. Equity Shares in the Suspense Account

The Company does not have any shares in the demat suspense account or unclaimed suspense account as on 31st March, 2025.

xv. Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated a Code of Conduct for Prevention of Insider Trading in the shares of the Company, which inter alia, prohibits trading in shares of the Company by insiders while in possession of unpublished price sensitive information in relation to the Company and in order to ensure uniform dissemination of unpublished price sensitive information. The Board of Directors has adopted a Code of Fair Disclosure of Unpublished Price Sensitive Information which is available on the website of the Company and can be accessed at <https://www.hpadhesives.com/wp-content/uploads/2014/08/Code-of-Fair-Disclosure-of-Unpublished-Price-Sensitive-Information.pdf>.

xvi. Unclaimed/ Unpaid Dividend

In terms of Section 125 of the Act, unclaimed dividends are required to be transferred to the Investors Education and Protection Fund. There was no dividend declared by the Company since the date of incorporation and for the year under review hence, there was no requirement of transferring the same to the Investors Education and Protection Fund.

xvii. Reconciliation of Share Capital Audit

As directed by the Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit has been carried out at the specified period, by a Practicing Company Secretary.

CORPORATE GOVERNANCE REPORT (CONTD.)

xviii. Managing Director/ Chief Executive Officer and Chief Financial Officer certification

As required under Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, the Managing Director and the Chief Financial Officer of the Company have made a certification to the Board of Directors, in the prescribed format for the year under review. The same has been reviewed and taken on record by the Board of Directors.

For and on behalf of the Board of Directors
For **HP Adhesives Limited**

Place: Mumbai
Date: 08th August, 2025

Mrs. Anjana Haresh Motwani
Chairperson & Executive Director
DIN: 02650184

Mr. Karan Haresh Motwani
Managing Director
DIN: 02650089

CORPORATE GOVERNANCE REPORT (CONTD.)

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

I, Karan Haresh Motwani, Managing Director, hereby confirm and declare that in terms of Regulation 26 (3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board Members and Senior Managerial Personnel of the Company have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management Personnel for the FY 2024-25.

For **HP Adhesives Limited**

Mr. Karan Haresh Motwani
Managing Director
DIN: 02650089

Place: Mumbai
Date: 08th August, 2025

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION
[Regulation 17 (8) of the Listing Regulations]

We, Karan Haresh Motwani, Managing Director and Mihir Suresh Mehta, Chief Financial Officer of HP Adhesives Limited, to the best of our knowledge and belief hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2025 and that to the best of our knowledge and belief:
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the Auditors and the Audit Committee that:
- there are no significant changes in internal controls over financial reporting during the year;
 - there are no significant changes in accounting policies during the year; and
 - there are no instances of significant fraud of which we have become aware.

For and on behalf of the Board of Directors
For **HP Adhesives Limited**

Place: Mumbai
Dates: 13th May, 2025

Mr. Karan Haresh Motwani
Managing Director

Mr. Mihir Suresh Shah
Chief Financial Officer

CORPORATE GOVERNANCE REPORT (CONTD.)

CERTIFICATE ON CORPORATE GOVERNANCE BY PRACTICING COMPANY SECRETARY

To,
The Members,
HP Adhesives Limited
Reg. Office: 11 Unique House,
Chakala Cross Road,
Andheri East, Mumbai 400099.

I have examined the compliance of the conditions of Corporate Governance by **HP Adhesives Limited** ('the Company') for the year ended on 31st March, 2025, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para- C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance with the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with the conditions of Corporate Governance.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, as applicable for the year ended on 31st March, 2025.

I further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Shivam Sharma & Associates**
Company Secretaries

Shivam Sharma
Proprietor
M.No.: A35727, CP. No.: 16558
Peer Review Certificate No.: 1811/2022
UDIN: A035727G000924824

Date: 4th August, 2025
Place: Mumbai

CORPORATE GOVERNANCE REPORT (CONTD.)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members,
HP Adhesives Limited
Reg. Office: 11 Unique House,
Chakala Cross Road,
Andheri East, Mumbai 400099.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HP Adhesives Limited** having **CIN: L24304MH2019PLC325019** and having registered office: 11 Unique House, Chakala Cross Road, Andheri East, Mumbai 400099 and Corporate office: Business Square, C-501, Sir Mathuradas Vasanji Road, Andheri East, Mumbai 400053 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31.03.2025** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment
1.	Karan Haresh Motwani	02650089	07 th May, 2019
2.	Anjana Haresh Motwani	02650184	07 th May, 2019
3.	Rajendra Kumar Jain	00144095	05 th July, 2021
4.	Nidhi Haresh Motwani	06655834	10 th February, 2022
5.	Surendra Kumar Mehta	09211358	23 rd June, 2021
6.	Ajeet Anant Walavalkar	09226644	05 th July, 2021

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Shivam Sharma & Associates**
Company Secretaries

Shivam Sharma
Proprietor
M.No.: A35727, CP. No.: 16558
Peer Review Certificate No.: 1811/2022
UDIN: A035727G000396769

Date: 21st May, 2025
Place: Mumbai

CORPORATE GOVERNANCE REPORT (CONTD.)

COMPLIANCE CERTIFICATE

[Pursuant to Regulation 13 of the Securities Exchange Board of India
(Share Based Employee Benefits and Sweat Equity) Regulations, 2021]

To,
The Members,
HP Adhesives Limited
Reg. Office: 11 Unique House,
Chakala Cross Road,
Andheri East, Mumbai 400099.

I Shivam Sharma, Company Secretary in practice, have been appointed as the Secretarial Auditor by the Board of Directors of **HP Adhesives Limited** (hereinafter referred to as '**the Company**'), having CIN L24304MH2019PLC325019 and having its Registered Office at 11 Unique House, Chakala Cross Road, Andheri East, Mumbai 400099. This certificate is issued under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (hereinafter referred to as "the Regulations"), for the Financial Year ended on March 31, 2025.

Management Responsibility:

It is the responsibility of the Management of the Company to implement the Scheme(s) including designing, maintaining records and devising proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Verification:

The Company has implemented HP Adhesives Employees Stock Option Scheme 2024 viz Employee Stock Option Scheme in accordance with the Regulations and the Special Resolution(s) passed by the members at the 5th Annual General Meeting of the Company held on September 19, 2024.

For the purpose of verifying the compliance of the Regulations, I have examined the following:

1. Scheme(s) received from/furnished by the Company;
2. Articles of Association of the Company;
3. Resolutions passed at the meeting of the Board of Directors
4. Shareholders resolutions passed at the General Meeting(s);
5. Shareholders resolution passed at General Meetings w.r.t variation in implementing the scheme(s) through a trust(s); Not applicable during the financial year
6. Minutes of the meetings of the Compensation Committee;
7. Trust the scheme (if any);
8. Trust Deed;
9. Details of trades in the securities of the company executed by the trust through which the scheme is implemented; Not applicable during the financial year
10. Relevant Accounting Standards as prescribed by the Central Government;
11. Detailed terms and conditions of the scheme as approved by Compensation Committee;
12. Bank Statements towards Application money received under the scheme(s); Not applicable during the financial year
13. Valuation Report; Not applicable during the financial year
14. Exercise Price / Pricing formula;

CORPORATE GOVERNANCE REPORT (CONTD.)

15. Statement filed with recognised Stock Exchange(s) in accordance with Regulation 10 of these Regulations;
16. Disclosure by the Board of Directors;
17. Relevant provisions of the Regulations, Companies Act, 2013 and Rules made thereunder.

Certification:

In my opinion and to the best of my/our knowledge and according to the verifications as considered necessary and explanations furnished to me/us by the Company and its Officers, I certify that the Company has implemented the Employee Stock Option Scheme in accordance with the applicable provisions of the Regulations and Resolution(s) of the Company in the General Meeting(s).

Assumption & Limitation of Scope and Review:

1. Ensuring the authenticity of documents and information furnished is the responsibility of the Board of Directors of the Company.
2. Our responsibility is to give certificate based upon our examination of relevant documents and information. It is neither an audit nor an investigation.
3. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. This certificate is solely for your information and it is not to be used, circulated, quoted, or otherwise referred to for any purpose other than for the Regulations.

For Shivam Sharma & Associates
Company Secretaries

Sd/-
Shivam Sharma
Proprietor
M.No.: A35727, CP. No.: 16558
Peer Review Certificate No.: 1811/2022
UDIN: A035727G001148927

Date: 2nd September, 2025
Place: Mumbai

Note:

This report is to be read with our letter of even date which is annexed as **ANNEXURE I** and forms an integral part of this report.

CORPORATE GOVERNANCE REPORT (CONTD.)

ANNEXURE - I

To,
The Members,
HP Adhesives Limited
Reg. Office: 11 Unique House,
Chakala Cross Road,
Andheri East, Mumbai 400099.

Our report of even date is to be read along with this letter:

- Maintenance of records and compliances pertaining to the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is the responsibility of the management of the Company. My responsibility is to express an opinion on the secretarial records based on our audit.
- I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in records. I believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- This compliance certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Shivam Sharma & Associates
Company Secretaries

Sd/-
Shivam Sharma
Proprietor
M.No.: A35727, CP. No.: 16558
Peer Review Certificate No.: 1811/2022
UDIN: A035727G001148927

Date: 2nd September, 2025
Place: Mumbai

INDEPENDENT AUDITORS' REPORT

To The Members of HP ADHESIVES LIMITED
Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the Standalone financial statements of HP Adhesives Limited ("the Company"), which comprise the Balance sheet as at 31st March 2025, and the statement of profit and loss (including other comprehensive income), statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of

India together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended 31 March 2025. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How Our Audit Addressed the Key Audit Matter
A. Inventory (Refer to Note-2.6 for details of the Accounting Policies of inventories and Note-10 of Notes to Standalone financial statements for relevant disclosures of inventories)	
<ul style="list-style-type: none">The net carrying value of inventory as on 31st March, 2025 is 24.68 % of Total Assets of the Company.Volatility in Price of Raw Material which is dependent upon various domestic & Global market conditions.Complexity in Calculation of Inventory Consumption & Costing involving methodology. Inventory consumption is calculated using SKU-specific formulas developed by management. These formulas are confidential & business sensitive. The formulas are applied outside of an accounting environment, maintained & tracked using standalone on consolidated bases using Excel spreadsheets.	<p><u>Our Audit Procedure</u></p> <p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none">Obtaining methodology of management in integration of inventory with finance module and assessing the design, implementation and operating effectiveness of management's key internal controls relating to physical verification of inventories by the management and assessed its consistency with prior years.Conducted analytical reviews of input-output ratios, material yield trends, and gross margins across key SKUs.

Standalone

INDEPENDENT AUDITORS' REPORT (CONTD.)

Key Audit Matters	How Our Audit Addressed the Key Audit Matter
<ul style="list-style-type: none">Valuation of WIP & Finished goods involves auditor's judgment in evaluating the use of manual spreadsheets instead of an automated ERP solution, coupled with SKU-wise traceability and detailed documentation, that limits the audit trail and controls creating risk in cost allocation and valuation <p>Hence, we determined the Valuation of Inventory as a key audit matter.</p>	<ul style="list-style-type: none">Performance of test of details through sample selection of Stores as part of the inventory verification program, including verification of inventory from floor to documentary evidence and vice versa, followed by physical verification of Inventory lying on Factory Floor & Tin Plant on sample basis subsequent to year end and performed the roll back procedure.In respect of Stock held at various warehouses/depots, obtained direct confirmation of the inventory held by them at the year end.Evaluating the Valuation policy established by management, including compliance with the applicable accounting standard along with the appropriateness of the disclosure in the standalone financial statements is in accordance with the applicable financial reporting framework.For Valuation, we have test checked samples of the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value.We have relied upon the above procedures and management's representation to conclude thereon.

B. Trade Receivables & ECL Provision:

(Refer to Note-12 of Notes to Standalone financial statements for relevant disclosures of Trade Receivables)

<ul style="list-style-type: none">Trade receivables and other amounts recoverable comprise a significant portion of the current financial assets. As at March 31, 2025 trade receivables aggregate ₹4,177.75 lakhs (net of provision for expected credit losses of ₹ 522.13 lakhs) and represents 18.36% of the Total value of Company's Assets.In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for re-measurement and recognition of impairment loss for Financial Assets as on each reporting period.The complexity in calculation of ECL is mainly related to calculations performed for different type of Customer and with different recovery period for different categories of customers along with significant risk due to the pervasive nature of these balances to the financial statements, and the importance of cash collection with reference to the working capital management of the business. <p>Accordingly, we determined audit of trade receivables & ECL as the key audit matter.</p>	<p><u>Our Audit Procedure</u></p> <ul style="list-style-type: none">Assessed the design and implementation of key controls around the monitoring of recoverability.Discussed with the management regarding the level and ageing of trade receivables, along with the justification for calculation of provisioning for expected credit loss on receivables it impact on current year profit's with regards to its appropriateness of receivables provisioning by assessing recoverability with reference to amount received in respect of trade receivables.Analysing the aging schedule of trade receivable, past collection, records, methodology used management, industry boom and concentration of customers' credit risk along with sample balance confirmations.We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.Audited disclosures included in the Ind AS Standalone financial statements in respect of movement of expected credit losses.
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INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the Standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based

INDEPENDENT AUDITORS' REPORT (CONTD.)

on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors 'report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also –

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls System in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the AS financial statements, including the disclosures, and whether the Standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone financial

INDEPENDENT AUDITORS' REPORT (CONTD.)

statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- (1) As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (2) As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit,
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph (i)(vi) below on reporting under Rule 11(g);
 - c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the aforesaid Ind AS Standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors as on 31 March, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
- f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
- g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year/period is in accordance with the provisions of section 197 read with Schedule V to the Act to extent applicable.
- i) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:-
 - i) The Company has disclosed the impact of pending litigation on its financial position in its Financial Statements- Refer Note No.39 to the Financial Statements.
 - ii) The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
 - iii) There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the

representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) As stated in note 48 to the accompanying standalone financial statements :
 - No dividend has been proposed/ declared by the company during the year.
 - The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- vi) Based on our examination which includes test checks, the company has accounting software for maintaining its Books of Accounts which has a feature of recording Audit trail (Edit log) facility and the same has been operated throughout the year for the relevant transactions recorded in the software except for other software used by company to maintain payroll and inventory records as described in Note 61 to the financial statements. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Priya Choudhary & Associates LLP
Chartered Accountants
(FRN- 011506C/C400307)

Vaibhav Choudhary
(Partner)
M. No.: 407543
Place: Bhilwara (Raj.)
Date: 13/05/2025
UDIN: 25407543BMRJMQ6010

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT

Companies (Auditor's Report) Order, 2020 (Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirement' section of our Report of even date)

1. In respect of its Company's Property, Plant and Equipment and Intangible Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) Intangible Assets – Company has maintained proper records showing full particulars of Intangible Assets including Trade Mark, the title of these trademarks also includes some trade marks in name of erstwhile Partnership Firm M/s HP International (Partnership firm) subsequently converted to HP Adhesives Limited. Further as explained by management company has 36 registered trademarks and 21 trademarks are under process of registration.
 - (c) The Company has a its own program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets in phased periodical manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (d) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the Standalone financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (e) The Company has not revalued any of its Property, Plant and Equipment and intangible assets (including right-of-use assets) during the year.
 - (f) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under

the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The inventory has been physically verified by the management during the year except for Inventories lying with third parties/depots and goods-in-transit. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties/depots at the year end, written confirmations have been obtained. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- (b) As disclosed in note 22 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year based on the security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company.
3. (a) The Company has provided loans to employees during the year as per details given below:

Particulars	Aggregate amount provided during the year	Balance outstanding as at balance sheet date in respect of these cases
Loan to Employees	44.03 Lakhs	27.25 Lakhs

Apart from above, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

- (b) During the year the terms and conditions of the grant of all loans to employees, are not prejudicial to the Company's interest. During the year the Company has not made investment, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) During the year the Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties except for loans granted

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

during the year to employees where the schedule of repayment of principal has been stipulated and the repayment or receipts are regular as stated in Para (a) above.

- (d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days except for the below where repayments/recovery from Employees are irregular:

Particulars	Aggregate amount provided during the year	Balance outstanding as at balance sheet date
Loan to Employees	NIL	22.44 Lakhs

- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which have been renewed or extended from fresh loans or settled. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties subject to as disclosed in note 14 to the financial statements, the Company has granted loans repayable on demand to a company. Of these following are the details:

Amount of loans or advances in the nature of loans repayable on demand without specifying any terms or period of repayment as below:

Advances given to impersonal accounts related to erstwhile partnership firm M/s HP International made during pre incorporation period of the company other than staff and trade advances.	₹ 40.50 Lakh
Loans to Promoters/related parties as defined in clause (76) of section 2 of Companies Act, 2013	NIL

4. According to information and explanation given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
5. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company
7. In respect of Statutory dues:
 - a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2025 for a period of more than six months from the date they became payable.

- b) Subject to below according to the information and explanations given to us, there are no dues of Income-tax or Sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax or any other Taxes which have not been deposited by the Company on account of disputes. Demand noted below includes the pending demands of erstwhile converted partnership firm M/s HP International.

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

Name of the Statute	Nature of Dues	Amount in Lakh	Forum where Dispute is Pending	Period	Remarks
Income Tax Act	Penalty U/s 271(1)(c)	2.70	CIT (Appeals)	2014-15	Proceedings Pending
Income Tax Act	Demand u/s 147	241.59	Income Tax Officer	2018-19	Rectification u/s 154 filed. Order pending.

8. As explained there are no such transactions needs to be recorded in the books of account on account of any income surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961 (43 of 1961).
9. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of banks or financial institutions. Further as per explanations given by management and sample review of accounts, loans borrowed from bank have been applied for the purposes for which loans were obtained.
- (b) Company has never been declared as willful defaulter by any bank or financial institution or other lender.
- (c) No Fresh Term loans were availed by the company during the period.
- (d) On an overall examination of standalone financial statements of the Company, no funds raised for short term basis were utilised for long term purposes.
- (e) Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary.
- (f) Company has not raised any loans during the period on the pledge of any securities held in its subsidiary.
10. (a) During the year company has not raised any money by way of public issue and however related to utilization of IPO proceeds of public issue of past year is as per the purpose for which it was raised, refer Note 17(c) of Standalone financial statements for details and the unutilized portion of proceeds are kept in bank and fixed deposits.
- (b) During the year, the company has not made any allotment of Equity shares through Right issue.
11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form
- ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
14. The Company has an internal audit system commensurate with the size and nature of its business, we have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
15. In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
17. In our opinion company has not incurred any cash losses in the financial year and the immediate preceding financial year.

ANNEXURE "A" TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

18. There has been no resignation of the statutory auditors of the Company during the year.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a
- period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
20. During the year, there are no unspent amount towards Corporate Social Responsibility (CSR) which was required to be transferred to specified fund as per the provisions of section 135(5) of Companies Act, 2013. For details, refer Note no. 36(b) of Notes to standalone financial statements.

For Priya Choudhary & Associates LLP
Chartered Accountants
(FRN- 011506C/C400307)

Vaibhav Choudhary
(Partner)
M.No.: 407543
Place: Bhilwara (Raj)
Date: 13/05/2025

ANNEXURE “B” TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under “Report on Other Legal and Regulatory Requirements” of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control with reference to Standalone financial statements of HP Adhesives Limited (“the company”) as of 31st March, 2025 in conjunction with our audit of the Ind AS Standalone financial statements of the Company for the year then ended.

MANAGEMENT RESPONSIBILITY FOR THE INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding

of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial control with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Ind AS Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Standalone financial statements includes those policies and procedures that - pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ANNEXURE “B” TO INDEPENDENT AUDITOR'S REPORT (CONTD.)

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to Standalone financial statements criteria established by the

Company considering the essential components of internal control stated in the Guidance Note.

For Priya Choudhary & Associates LLP

Chartered Accountants
(FRN- 011506C/C400307)

Vaibhav Choudhary

(Partner)

M.No.: 407543

Place: Bhilwara (Raj)

Date: 13/05/2025

STANDALONE BALANCE SHEET
AS AT 31ST MARCH, 2025

(₹ in Lakhs unless otherwise stated)			
Particulars	Notes	As at 31 st March, 2025	As at 31 st March, 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	7,073.86	4,951.94
Capital work-in-progress	6	436.59	1,620.70
Right of Use Assets	7A	172.42	224.62
Other Intangible Assets	7B	14.72	19.47
Investment in Subsidiary	11	201.00	-
Financial Assets			
Other Financial Assets	8	285.96	486.83
Deferred Tax Asset (net)	28A	-	12.75
Other Non-Current Assets	9	46.33	208.88
Total Non-Current Assets		8,230.88	7,525.19
Current Assets			
Inventories	10	5,614.93	4,768.99
Financial Assets			
Investments	11	2,273.39	1,819.90
Trade Receivables	12	4,177.75	3,648.02
Cash and Bank Balances	13	305.63	77.91
Bank balances other than cash and cash equivalents	13	159.29	831.98
Loans	14	101.69	106.31
Current Tax Assets (net)	15	112.92	-
Other Current Assets	16	1,775.38	985.24
Total Current Assets		14,520.99	12,238.35
TOTAL ASSETS		22,751.87	19,763.55
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	1,837.49	1,837.49
Other Equity	18	16,550.15	15,051.43
Total Equity		18,387.64	16,888.93
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities	19	68.24	147.23
Borrowings	20	-	15.16
Other Non-Current Liabilities		-	-
Provisions	26	79.92	69.04
Deferred Tax Liabilities (net)		95.12	-
Total Non-Current Liabilities		243.28	231.43
Current Liabilities			
Financial Liabilities			
Lease Liabilities	21	133.33	116.77
Borrowings	22	568.78	37.28
Trade Payables	23		
(i) Total outstanding dues of Micro and Small Enterprises		574.51	393.75
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises		1,720.62	1,209.44
Other Financial Liabilities	24	650.92	493.93
Other Current Liabilities	25	176.41	138.71
Provisions	26	296.39	125.15
Current Tax Liabilities (Net)	27	-	128.15
Total Current Liabilities		4,120.95	2,643.18
TOTAL LIABILITIES		4,364.23	2,874.62
TOTAL EQUITY AND LIABILITIES		22,751.87	19,763.55
Significant Accounting Policies and Key Accounting Estimates and Judgments	1-4		
See Accompanying Notes to Standalone Financial Statements	5-61		

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
Partner
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(PAN : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs unless otherwise stated)			
Particulars	Notes	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
INCOME			
Revenue from operations	29	25,124.64	23,590.60
Other income	30	448.22	337.09
Total Income		25,572.86	23,927.69
EXPENSES			
Cost of Material Consumed	31	12,987.37	11,766.00
Purchases of stock-in-trade		3,287.56	3,231.54
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	32	(455.83)	(184.71)
Employee benefits expenses	33	3,401.21	2,854.83
Other expenses	36	3,348.59	2,853.48
Finance costs	34	214.98	187.95
Depreciation and Amortisation expense	35	470.48	429.35
Total		23,254.36	21,138.44
Profit / (Loss) before Exceptional items and tax		2,318.50	2,789.26
Exceptional items	37	-	22.40
Profit / (Loss) before tax (PBT)		2,318.50	2,811.66
Tax expense			
Current tax		(426.59)	(716.10)
Deferred tax	28	(107.88)	(38.74)
Income Tax Excess/(Short) Provision of previous year		-	-
Total Tax Expense		(534.47)	(754.84)
Profit after Tax (PAT)		1,784.03	2,056.81
Other comprehensive income			
A Items that will not be reclassified to profit or loss account			
(i) Re-measurement of defined benefit liability/asset	41 B(e)	(12.95)	4.40
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.26	(1.11)
B Items that will be reclassified to Profit or loss account		-	-
		(9.69)	3.29
Other comprehensive income for the year, net of tax (A+B)		(9.69)	3.29
Total comprehensive income for the year		1,774.34	2,060.10
Earnings per Equity Share (Face Value of ₹ 2/- each)			
Basic in ₹	38	1.94	2.24
Diluted in ₹		1.94	2.24
Significant accounting policies and Key accounting estimates and judgments	1-4		
See Accompanying Notes to Standalone Financial Statements	5-61		

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
Partner
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(PAN : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

STANDALONE STATEMENT OF AUDITED CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation	2,318.50	2,811.66
Adjustments for:		
Exceptional Items	-	(22.40)
Foreign Currency Exchange Rate Fluctuation (net)	(86.87)	(70.88)
Depreciation and Amortisation expenses	470.48	429.35
Interest on secured borrowing	8.78	45.83
Interest expenses on financial liabilities measured at amortised cost	17.02	27.35
Interest on Fixed deposits with banks	(125.90)	(163.06)
Rodtep Subsidy	(21.02)	-
Duty Drawback Refund	(28.88)	(23.93)
Gain on sale of current investments designated as FVTPL	(67.54)	(64.09)
Fair value gain arising from financial instruments designated as FVTPL	(44.39)	-
Sundry Balances written back	(4.56)	(1.80)
Loss on Sale of Fixed Asset	0.26	(0.05)
Provision for expected credit (reversal)/loss	(55.69)	102.86
Operating profit before working capital changes	2,380.16	3,070.84
CHANGES IN WORKING CAPITAL		
(Decrease)/ increase in trade payables	735.37	(385.64)
Decrease/ (increase) in inventories	(845.95)	(282.94)
Decrease/ (increase) in trade receivables	(430.59)	10.00
(Decrease)/ increase in other current financial liabilities	156.99	137.63
(Decrease)/ increase in other current liabilities	42.25	(12.19)
(Decrease)/ increase in provisions	182.12	89.02
Decrease/ (increase) in loans	4.62	8.30
Decrease/ (increase) in other current and non current non financial assets	(577.68)	218.98
Cash generated used in operations	1,647.30	2,854.00
Taxes Paid (Net)	(677.58)	(712.81)
Net cash flows generated in operating activities	969.72	2,141.19
Exceptional Items	-	22.40
Net Cash Flows from Operating Activities after Exceptional Items (A)	969.72	2,163.59
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangible assets	(1,377.04)	(1,645.36)
Proceeds from sale of property, plant & equipment	25.69	0.13
Investments in Bank and fixed deposits (more than three months)	873.56	1,723.61
Purchase of current investments	(12,185.19)	(10,667.39)
Sale of current investments	11,843.61	8,911.59
Investments in Subsidiary	(201.00)	-
Interest received	125.90	163.06
Net cash flow from investing activities (B)	(894.47)	(1,514.36)

STANDALONE STATEMENT OF AUDITED CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabilities	(79.46)	(153.60)
Repayment of non-current borrowings	(37.28)	(376.63)
Movement in short-term borrowings from banks (net)	553.62	(33.48)
Dividend Paid	(275.62)	-
Finance Cost	(8.78)	(45.83)
Net Cash Flows from Financing Activities (C)	152.48	(609.54)
Net increase in cash and cash equivalents (A+B+C)	227.72	39.68
Cash and cash equivalents at the beginning of the year	77.91	38.23
Cash and cash equivalents at the end of the year	305.63	77.91
CASH AND CASH EQUIVALENTS COMPRISE		
On Current Accounts	17.74	60.12
Fixed deposits with maturity of less than 3-months	267.21	-
Cash In Hand Foreign Currency	4.50	17.79
Exchange difference on transactions of foreign currency cash and cash equivalents	0.00	
Cash on hand	16.18	
Total cash and cash equivalents at end of the year (Note 13)	305.63	77.91

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows
- The accompanying notes are an integral part of the Standalone financial statements.

As per our report of even date attached
For Priya Choudhary & Associates LLP
 Chartered Accountants
 Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
 Partner
 Membership No: 407543

Place: Bhilwara
 Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
 (Chairman)
 DIN: 02650184

MIHIR SURESH SHAH
 (Chief Financial Officer)
 (PAN : AZBPS0681B)

Place: Mumbai
 Date: 13th May, 2025

KARAN HARESH MOTWANI
 (Managing Director)
 DIN: 02650089

JYOTI NIKUNJ CHAWDA
 (Company Secretary)
 (Mem No.: 40074)

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2025

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid

(₹ in Lakhs unless otherwise stated)		
Particulars	No. of Shares	Amount
As at 01 st April, 2023	1,83,74,947	1,837.49
Equity Share subdivided into 5 (Five) Equity shares of face value of ₹ 2/- Per Share	9,18,74,735	-
As at 31 st March, 2024	9,18,74,735	1,837.49
Issue of Share Capital		-
As at 31 st March, 2025	9,18,74,735	1,837.49

B. OTHER EQUITY (ALSO REFER NOTE NO. 18)

₹ in Lakhs unless otherwise stated)

Particulars	Attributable to Shareholders				Total Other Equity
	Reserves and Surplus				
	Securities Premium	General Reserve	Employee Stock Option Reserve	Retained Earnings	
Balance as at 01 st April, 2023	11,286.45	-	-	1,704.88	12,991.33
Profit for the year	-	-	-	2,056.81	2,056.81
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	3.29	3.29
Premium on Issue of Shares	-	-	-	-	-
Transaction Costs	-	-	-	-	-
Balance as at 31 st March, 2024	11,286.45	-	-	3,764.98	15,051.43
Balance as at 01 st April, 2024	11,286.45	-	-	3,764.98	15,051.43
Profit for the year	-	-	-	1,784.03	1,784.03
Utilised for payment of dividend	-	-	-	(275.62)	(275.62)
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	(9.69)	(9.69)
Balance as at 31 st March, 2025	11,286.45	-	-	5,263.70	16,550.15

Significant accounting policies and Key accounting estimates and judgments 1-4
See Accompanying Notes to Standalone Financial Statements 5-61

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
Partner
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(PAN : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025

1 COMPANY OVERVIEW

HP Adhesives Limited ("the Company") is a public limited company which is domiciled and incorporated in India under the provisions of the Companies Act, 2013 (CIN L24304MH2019PLC325019) formed by conversion of Partnership firm in accordance with provisions of Part I of Company XXI of Companies Act, 2013 subsequently converted to Public Limited company on 01st July, 2021 with registered office situated at G-11, Unique House, Chakala Cross Road, Andheri East, Mumbai (MH) 400 099. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India since 27th December, 2021.

Company is engaged in Manufacturing and distribution of adhesives and sealants along with other ancillary products.

The Annual standalone financial statements were authorised for issue in accordance with the resolution passed by Board of Directors on 13th May, 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these standalone financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Significant accounting policies adopted by the Company are as under:

2.1 Basis of Preparation

These standalone Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year end figures reported in this statement.

(a) Functional and presentation currency

Items included in these standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone Ind AS financial statements are presented in Indian rupee (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Lakhs, up to two places of decimal, unless otherwise indicated.

(b) Basis of measurement

The separate standalone financial statements of the Company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ('the Act'), except for:

- Financial instruments – measured at fair value;
- Plan assets under defined benefit plans – measured at fair value;
- Asset & Liabilities recognised under Ind AS 116

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(c) Classification into current and non-current:

The Company presents assets and liabilities in the standalone balance sheet based on current / non-current classification.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Company's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only

2.2 Property, plant and equipment

Property, plant and equipment, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Depreciation methods, estimated useful lives

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. Based on management's evaluation, the Company uses straight-line method and has used following useful lives to provide depreciation of different class of its property, plant and equipment:

Assets Category -	Estimated Useful Life
Building	30 years
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Vehicles	10 years
Computer & Software	3-6 years
Office Equipments	5 years

Based on the management's assessment of useful life, certain items of property, plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

approximation of the period over which the assets are likely to be used.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of put to use. Depreciation on sale/deduction, from property, plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'. The cost and related accumulated depreciation are eliminated from the standalone financial statements upon sale or retirement of the asset.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Residual value of Property, Plant & Equipment is considered as 5% of the cost.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non - current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over the irrespective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortisation methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangible assets are as follows:

Intangible assets	Estimated Useful Life
Trade Mark	5 years
Software	5 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation

period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.3 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right to use of assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index

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or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in financial liabilities.

iii) Short term lease and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases contracts including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv) Single discount rate

The Company has applied the available practical expedient with respect to single discount rate wherein single discount rate is used for portfolio of leases with reasonably similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and

lease payments have been classified as financing cash flows.

2.4 Capital work in progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

During the year management has identified proportionate capitalisation of Building CWIP based on report issued by independent Civil Engineer considering the level of completion which justifies the recognition criteria as per Ind AS 16 - Property, Plant and Equipment, specifically in relation to said operating area of production which is ready for intended use and has started generating revenue, while the balance floors of building is under final stage of completion. Value of capitalisation is based on the above report as per actual expenditure incurred towards the building.

2.5 Impairment

At the end of each reporting year, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their

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present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

2.6 Inventories

Integration of Inventory and Financial module is carried out by management in accordance with Ind AS 2 standard and same is applied consistently.

Raw materials, packing materials, Promotional items and Trading Goods :

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on first-in-first-out (FIFO) basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

Consumable Stores & Spares are expensed off at the time of Purchase itself.

Work-in- progress (WIP) & Finished goods

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads up to the relevant stage of completion. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are assigned to the individual item basis in a group of inventories on Weighted Average Cost basis. Comparison of cost and net realisable value is made on item-by item basis. Costs of purchased inventory are determined after deducting rebates and discounts.

2.7 Revenue recognition

The Company recognises revenue from sale of goods, based on the terms of contract and as per the business practice; the Company determines transaction price considering the amount it expects to be entitled in exchange of transferring promised goods to the customer. Revenue is recognised when it is realised or is realisable and has been earned after the deduction of variable components such as discounts, rebates,

incentives, promotional couponing and schemes. The Company estimates the amount of variable components based on historical, current and forecast information available and either expected value method or most likely method, as appropriate ; Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Goods :

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from sales is measured net of taxes/duties, discounts, incentives, rebates etc. The Company's presence across different marketing regions within the country and the competitive business makes the assessment of various type of turn over discounts, discounts, incentives and rebates as complex and judgemental.

Advance from customers is recognised under other Current liabilities and released to revenue on satisfaction of performance obligation.

Other Income

Other income is comprised primarily of interest income - Interest income is recognised using the effective interest rate method, other Export benefits - recognised in the statement of profit and loss when the right to receive credit as per terms of the scheme is established in respect of sale and when there is no significant uncertainty regarding the ultimate collection, dividend if any, Gain/loss on short term investments and Exchange gain/loss on forward and on translation of foreign currency assets and liabilities. Dividend income is recognised when the right to receive payment is established.

2.8 Foreign exchange translation

The functional currency of the Company is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss.

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Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.9 Taxes

Income tax comprises current and deferred tax. It is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Company has opted to recognise tax expense at the new income tax rate as applicable to the Company.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current tax is recognised in Statement of Profit and Loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognised in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax

regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Provision for Current Tax for the year comprises of:

- a) estimated tax expense which has accrued on the profit for the year.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.10 Borrowing costs

Borrowing costs, if any, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalised as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.11 Provisions, contingent assets and contingent liabilities

(a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required

to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(b) Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each financial reporting date and adjusted to reflect the current best estimates.

(c) Contingent assets

Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

2.12 Employee Benefits

(a) Short-term obligations

Employee benefits such as salaries and other benefits along with any other non-monetary benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the Statement of Profit and Loss in the period in which the employee renders the related services.

(b) Other long-term employee benefit obligations : Post Employment Benefits

(i) Defined contribution plan

Provident Fund: The Company's contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, are charged to the Statement of Profit and Loss in the period of accrual. The Company has no obligation, other than the contribution payable to the provident fund.

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(ii) **Defined benefit plans**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees of HP Adhesives Limited. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment with the Company. The Company contributes gratuity liabilities directly to HDFC Trust Group through HP Adhesives Limited Employees Group Gratuity Trust. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the HDFC Group as permitted by Indian Law.

The calculation is performed by a qualified Actuary using the projected unit credit method. When the calculation results in a liability to the Company, the present value of liability is recognised as provision for employee benefit. Any actuarial gains or losses in respect of gratuity are recognised in OCI in the period in which they arise.

The Company's net obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at each reporting date.

Re-measurement, comprising actuarial gains and losses, is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to Statement of Profit and Loss.

The Company recognises the net obligation of a defined plan in its Balance Sheet. Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

(iii) **Other employee benefits**

Compensated absences, if any, which accrue to employees and which can be carried to future periods but are expected to be encashed/ availed within twelve months immediately following the year end are reported as expenses during the year in which employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

2.13 Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value, plus in the case of Financial assets not recorded at fair value through Profit or Loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss. However, those financial assets & liabilities that do not contain significant financial component are measured at transaction price.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- (i) the entity's business model for managing the financial assets and
- (ii) the contractual cash flow characteristics of the financial asset.

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Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial asset classified and measured at amortised cost, any interest income, foreign exchange gains/losses and impairment are recognised in the Statement of Profit and Loss.

Fair Value through OCI

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Where the Company has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognised in profit and loss account as other income where right to receive is established.

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For financial assets at fair value through profit or loss, net gain or losses, including any interest or dividend income are recognised in the Statement of Profit and Loss.

Equity Investments in subsidiaries

Equity investments in Subsidiaries are carried at Cost, in accordance with option available in Ind AS 27 "Separate Financial Statements". Investment carried at cost are subject to impairment test as per Ind AS 36 when indication of potential impairment exists.

Classification and Subsequent Measurement: Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. Interest expense (based on effective interest method), foreign exchange gains and losses and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies Expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, no impairment is recognised. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, the credit quality of the instrument improves then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity

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expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount. Company measures the loss allowance at an amount equal to lifetime expected credit losses for Trade receivables (i.e. 'simplified approach').

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

(iv) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of the asset or if, the Company has neither transferred nor retained substantially all risk and reward of the asset, but has transferred control of the asset to another party.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise

been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(b) Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(c) Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

(d) Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.14 Cash & cash equivalents

Cash and cash equivalent in the Balance Sheet comprises Cash at Banks, Cash on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of unrestricted cash

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and short-term deposits, as defined above as they are considered an integral part of the Company's cash management.

2.15 Segment reporting

The business of the Company falls within a single line of business i.e. business of Adhesives & Solvent products. All other activities of the Company revolve around its main business. Hence no separate reportable primary segment

Operating segments are reported in a manner consistent with the internal reporting provided to the management. Management assesses the financial performance and position of the Company and makes strategic decisions.

2.16 Statement of cash flows

Statement of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Company are segregated.

2.17 Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Company is charged to the Statement of the Profit and Loss.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares, if any are recognised as a deduction from equity, net of any tax effects.

Share issue expense

The share issue expenses incurred by the Company on account of new shares issued if any are netted off from securities premium account.

2.19 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year, if any, is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods for any share split and bonus share issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

2.20 Measurement of EBITDA

During the year under review company has opted NOT to present earnings before interest (finance cost), tax, depreciation and Amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period, same has been applied for presentation of previous year's figures.

2.21 Dividend

The Company recognises a liability to pay dividend to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The estimates used in the preparation of the Standalone financial statements of each year presented are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Company believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Company regularly assesses these estimates, actual results could differ materially from these estimates – even if the assumptions underlying such estimates were reasonable when made, if these results differ from

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the Standalone financial statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

3.1 Significant Judgments

Impairment of Trade Receivables

As per Ind AS 109 impairment allowance has been determined based on expected credit loss method. Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amount are based on ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

Impairment of other financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation., based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

Contingencies

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an out flow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes current tax payable, based on reasonable estimates. The amount of such current tax payable is based on various factors,

such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model.

3.2 Significant estimates

(a) Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(b) Useful lives of property, plant and equipment

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Company has determined useful life assets based

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

on expert opinion. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

(c) Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

(d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the standalone financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Effective interest rate

For the requirement of Ind AS 109 and Ind AS 116, company has used incremental borrowing rate as the rate for discounting and amortising. This incremental borrowing rate reflects the rate of interest that the Company would have to

pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

4 NEW AND AMENDED STANDARDS

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 01st April, 2024 wherever applicable. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts

The Ministry of corporate Affairs (MCA) notified the Ind AS 117. Insurance Contracts, vide notification dated 12th August, 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 01st April, 2024.-The application of Ind AS 117 had no impact on the Company's standalone financial statements as the Company has not entered any contracts in the nature of insurance contracts covered under ind AS 117.

(ii) Ind AS 116 Sale & Lease Back Transaction Amendments

The Ministry of corporate Affairs (MCA) notified amendment to the Ind AS 116 specifically on Sale & Lease back Transactions vide notification dated 09th September, 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 01st April, 2024.- As there is no such transaction, hence the said amendment has no impact on the Company's standalone financial statements

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
Partner
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(Pan : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

5 PROPERTY, PLANT AND EQUIPMENT

Particulars		Changes in Gross Carrying Value			Changes in Depreciation				Net block		
		Gross Carrying Value As at 01 st April, 2024	Additions/ Adjustments	Deductions/ Disposals	Assets classified as held for sale	Gross Carrying Value As at 31 st March, 2025	Accumulated Amortisation as at 01 st April, 2024	For the year Adjustments/ Disposals	Assets classified as held for sale	Accumulated Amortisation as at 31 st March, 2025	Carrying Value As at 31 st March, 2024
Owned Assets											
Building											
Office Premises	739.12	-	-	-	739.12	79.39	23.41	-	-	102.79	636.33
Factory Building	2,092.46	1,367.15	-	-	3,459.61	146.12	85.25	-	-	231.36	3,228.25
Plant and equipment	2,813.33	1,042.64	77.89	-	3,778.08	788.80	175.83	52.03	-	912.60	2,865.47
Furniture and fixture	198.00	25.71	-	-	223.72	63.46	10.11	-	-	73.56	150.16
Vehicles	353.40	34.03	-	-	387.44	204.87	35.03	-	-	239.89	147.54
Office equipment	35.64	10.79	-	-	46.43	27.07	4.16	-	-	31.23	15.20
Computers	137.90	21.16	-	-	159.06	108.22	19.92	-	-	128.14	30.92
Total	6,369.86	2,501.49	77.89	-	8,793.45	1,417.92	353.70	52.03	-	1,719.59	7,073.86
											4,951.94

Reconciliation effect on gross and net carrying of amounts PPE, due to acquisitions & revaluations- Nil

6 CAPITAL WORK IN PROGRESS

Particulars	Net block				As at 31 st March, 2025
	As at 01 st April, 2024	Additions/ Adjustments	Deductions/ Disposals *	Assets classified as held for sale	
Tangibles					
Building WIP *	899.42	616.97	1,479.15	-	37.25
Machinery WIP #	721.28	455.25	777.19	-	399.35
Total	1,620.70	1,072.23	2,256.33	-	436.59

*Deduction from Building CWIP represents capitalisation of proportionate completed part of Building on which commercial production has started in last year. Amount is based on report issued by Independent Civil Engineer as per actual expenditure incurred towards building.

Machinery WIP represents machines/ equipments received pending for installation.

Ageing Schedule of CWIP :

CWIP	Amount in CWIP for a period ended 31 st March, 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
A. Project in Progress					
Proportionate Factory building under construction	37.25	-	-	-	37.25
Installation of New Machineries under process	170.39	228.96	-	-	399.35
B. Projects temporarily suspended	Nil	Nil	Nil	Nil	Nil

There is time overrun of Building construction as per Original plan while there is no cost overrun as compared to its original plan during the financial year 2024-25.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

7A RIGHT OF USE ASSETS

The changes in the carrying value of ROU assets for the year ended 31st March, 2025 are as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Category of ROU asset		Total
	Land	Building	
Balance as at 31st March, 2024	302.81	496.24	799.04
Additions*	-	57.68	57.68
Disposals/Adjustments	-	-	-
Balance as at 31st March, 2025	302.81	553.92	856.72
Accumulated Depreciation as at 31st March, 2024	89.06	485.36	574.42
Additions	96.32	13.57	109.89
Disposals/Adjustments	-	-	-
Accumulated Depreciation as at 31st March, 2025	185.38	498.93	684.31
Carrying value as at 31st March, 2025	117.43	54.99	172.42
Carrying value as at 31st March, 2024	213.75	10.88	224.62

* Net of adjustments on account of modifications and lease incentives.

7B OTHER INTANGIBLE ASSETS

The changes in the carrying value of acquired intangible assets for the year ended 31st March, 2025 are as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Software	Trade Name Related	Total
Gross carrying value as at 31st March, 2024	6.60	36.74	43.34
Additions	-	2.38	2.38
Disposals/Adjustments	(1.64)	-	(1.64)
Gross carrying value as at 31st March, 2025	4.96	39.12	44.08
Accumulated Depreciation as at 31st March, 2024	1.86	22.01	23.87
Additions	0.94	5.96	6.90
Disposals/Adjustments	(1.41)	-	(1.41)
Accumulated Depreciation as at 31st March, 2025	1.39	27.96	29.36
Carrying value as at 31st March, 2025	3.56	11.16	14.72
Carrying value as at 31st March, 2024	4.74	14.73	19.47

8 OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
In Fixed Deposit accounts with original maturity above 12 months (IPO Proceeds)	285.96	486.83
Total	285.96	486.83

9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Security Deposits	46.33	208.88
Demand paid under Protest	-	-
Total	46.33	208.88

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

10 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Raw materials and Components	2,438.67	2,048.55
Work-in-progress	198.29	419.71
Finished Goods	2,977.97	2,300.73
Total	5,614.93	4,768.99

11 INVESTMENT

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Non - Current Investment		
Investment in Equity share of subsidiary companies (unquoted) (investment valued at cost unless otherwise stated)		
50,000 (2024: NIL) equity shares of ₹10 each fully paid up in Unitybond Solutions Private Limited	201.00	-
Total	201.00	-
Current Investment*		
Investments measured at Fair Value Through Profit or Loss (FVTPL)		
In Mutual Fund - Quoted	251.37	1,819.90
In Government Securities - Quoted fully paid up	523.04	-
In Debentures or Bonds - Quoted, fully paid up	1,498.97	-
Total	2,273.39	1,819.90

*Considered at Market Value as on 31st March, 2025

Aggregate amount of Quoted Investments	2,273.39	1,819.90
Market Value of Quoted Investments	2,273.39	1,819.90

12 TRADE RECEIVABLES

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current		
Secured, considered good	-	-
Unsecured		
Unsecured, considered good	4,177.75	3,648.02
Unsecured, considered doubtful	522.13	626.13
Less : Expected credit loss allowance	(522.13)	(626.13)
	4,177.75	3,648.02
Credit Impaired	48.30	0.23
Less: Expected Credit Loss allowance for doubtful Trade Receivable	(48.30)	(0.23)
Total	4,177.75	3,648.02

Notes:

- Trade receivables has been taken as certified by the management of the Company.
- Provisioning for expected credit loss has been done as per the guidance of Ind AS 109.
- For details of Trade Receivables with related party, refer note no. 43 Related Party disclosure.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

- For Ageing Schedule of Trade Receivables refer note 49.
- Trade receivables are generally non interest bearing.
- Movement in Expected Credit Loss Allowance of Trade Receivable is shown below

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning of the year	626.13	523.50
Less: Credit Impaired	(48.30)	(0.23)
Amount added/ Reversed during the year	(55.69)	102.86
Effect of Foreign Exchange	-	-
	522.13	626.13

13 CASH AND BANK BALANCES

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash and Cash equivalents		
Balances with banks		
On Current Accounts	17.74	60.12
Deposits with original maturity of less than 3 months (including Short Term Fixed Deposits (from IPO Proceeds))	267.21	-
Cash In Hand Foreign Currency	4.50	
Cash on hand	16.18	17.79
Total Cash and Cash Equivalents	305.63	77.91
Bank Balances other than Cash and Cash Equivalents		
Other Bank balances		
Deposits with original maturity of more than three months but remaining maturity of less than twelve months-Fixed Deposits (from IPO Proceeds)	100.00	829.90
Earmarked balances with Banks for unpaid dividend	2.08	-
Balances with banks held as margin money for security against the guarantees	42.25	
Balance in Bank- With Monitoring Agency (IPO Proceeds)	14.97	2.08
Deposits with original maturity of more than twelve months- Fixed Deposits (from IPO Proceeds)	285.96	486.83
Less: Amount disclosed under other Financial assets	(285.96)	(486.83)
Total bank balances other than cash and cash equivalents	159.29	831.98
Total	464.93	909.89

Deposits are with scheduled commercial banks and earn interest at fixed rates and are callable.

14 LOANS (CURRENT FINANCIAL ASSETS)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
# Advance to Employees & Others	101.69	106.31
Total	101.69	106.31

- Includes non business advances of ₹ 40.50 Lakhs related to pre-conversion period of company from partnership Firm M/s HP International.

No Loans are due from directors or other officers of the Company either severally or jointly with any other person.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

15 CURRENT TAX ASSETS (NET)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advance income tax (Net)	112.92	-
Total	112.92	-

16 OTHER CURRENT ASSETS

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(a) Capital Advances	244.79	231.96
(b) In Fixed Deposit Accounts with maturity < 12 months	1,017.17	298.16
(c) Advances other than Capital Advances		
Security Deposits	52.42	-
Prepaid Expenses	70.44	45.70
Accrued Interest on FD	16.50	13.97
Withholding Taxes & Others*	54.88	5.92
Advances to Suppliers	305.53	361.09
Other Receivables	13.65	28.45
Total	1,775.38	985.24

*Withholding taxes and others primarily consist of GST Input tax credits recoverable from Government.

17 EQUITY SHARE CAPITAL

Ordinary Shares

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buy back are recognised as a deduction from equity, net of any tax effects.

Description of reserves

Retained earnings

Retained Earnings represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium

Security Premium Account represents premium received on issue of shares through Rights issue and IPO . This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in Lakhs unless otherwise stated)

(a) Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Authorised Share Capital		
10,00,00,000 Equity Shares of ₹ 2/-each	2,000.00	2,000.00
(P.Y. 2,00,00,000 Equity Shares of ₹ 10/-each)		
	2,000.00	2,000.00
Equity shares		
Issued, Subscribed and fully paid up		
9,18,74,735 Equity Shares of ₹ 2/- each fully paid up	1,837.49	1,837.49
(P.Y. 1,83,74,947 Equity shares of ₹ 10/- each fully paid up)		
Total	1,837.49	1,837.49

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

At the Annual General Meeting of the Company held on September 29, 2023, for the sub-division of equity shares of the Company from existing face value of 10 each into face value of 2 each and from existing no. of shares 1,83,74,947 into 9,18,74,735 (i.e. split of 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each), Accordingly, face value of the equity shares of the Company now stand at ₹ 2 each w.e.f. the record date - 09th November, 2023.

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of shares	Amount	Number of shares	Amount
Opening balance (face value ₹ 10/- each)	9,18,74,735	1,837.49	1,83,74,947	1,837.49
Right Issue of shares	-	-	-	-
Equity Share subdivided into 5 (Five) Equity shares of face value of ₹ 2/- Per Share	-	-	9,18,74,735	-
Bought back during the year	-	-	-	-
Closing balance (face value ₹ 2/- each)	9,18,74,735	1,837.49	9,18,74,735	1,837.49

(c) Utilisation of IPO Proceeds (Net of IPO Expenses) as per Prospectus are as follows:

(₹ in Lakhs unless otherwise stated)

	Planned as per Prospectus	Utilisation upto 31 st March, 2025	Un-utilised as of 31 st March, 2025 (*)
Funding working capital requirements of the Company	5,400.00	5,400.00	-
Funding Capital expenditure(CAPEX)	2,550.86	2,313.56	237.30
General corporate Purposes (As revised upon finalisation of IPO Expenses)	1,718.26	1,718.26	-
Total	9,669.12	9,431.82	237.30

(*) Unutilised IPO proceeds as of 31st March, 2025 are kept in fixed deposits with banks and shown under Other bank balances (Refer note 13)

Advances made to Capex Vendors of out of IPO proceeds for supply of Machinery/equipment amounts to ` 31.35 Lakhs (Inc. GST) as on 31st March, 2025 for which deliveries/installation is pending as on 31st March, 2025, same are included Capital Advance note no.16

(d) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹2 each. The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year. Each shareholder is entitled to vote in proportion to his share of paid up equity share capital of the Company, except in case of voting by show of hands where each shareholder present in person shall have one vote only. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion of the number of shares held by the shareholders.

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Name of the shareholder				
Equity shares of ₹ 2 each fully paid (P.Y. ₹ 10/- each)				
Anjana Haresh Motwani	2,87,00,675	31.24%	2,87,00,675	31.24%
Karan Haresh Motwani	2,68,50,000	29.22%	2,68,50,000	29.22%
Nidhi Haresh Motwani	1,00,00,000	10.88%	1,00,00,000	10.88%
	6,55,50,675	71.35%	6,55,50,675	71.35%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

As per Companies Act, 2013 the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) **Shareholding of promoters/Promoter Group**

The details of the shares held by promoters as at 31st March, 2025 are as follows:

Shares held by promoters at the end of the year	Class of Shares	As at 31 st March, 2025		As at 31 st March, 2024		% Change during the year
		No. of Shares	% of total shares at beginning	No. of Shares	% of total shares at end	
1. Anjana Haresh Motwani	Equity	2,87,00,675	31.24%	2,87,00,675	31.24%	0.00%
2. Karan Haresh Motwani	Equity Shares	2,68,50,000	29.22%	2,68,50,000	29.22%	0.00%
3. Nidhi Haresh Motwani	Equity Shares	1,00,00,000	10.88%	1,00,00,000	10.88%	0.00%

18 **OTHER EQUITY**

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Retained Earnings	5,263.70	3,764.98
Securities Premium	11,286.45	11,286.45
Total	16,550.15	15,051.43

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(A) Securities Premium		
Opening balance	11,286.45	11,286.45
Add: Premium received on issue of shares	-	-
Closing balance	11,286.45	11,286.45
(B) Retained Earnings		
Opening balance	3,764.98	1,704.88
Add: Adjustment of Ind AS of previous years	-	-
	3,764.98	1,704.88
Add: Total Comprehensive Income for the year	1,774.34	2,060.10
Less: Premium utilised for payment of dividend	(275.62)	-
Closing balance	5,263.70	3,764.98
Total	16,550.15	15,051.43

19 **LEASE LIABILITIES (NON-CURRENT)**

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Lease Liability	68.24	147.23
Total	68.24	147.23

(Movement of Lease Liabilities, refer Note No. 21(a))

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

20 **BORROWINGS (NON CURRENT)**

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Borrowings measured at Amortised Cost		
Secured (Refer Note "Sanction Terms")		
(A) VEHICLE LOANS		
(a) Vehicle Loan from Daimler Financial Services India Pvt. Ltd. (Repayable on 60 EMI of ₹108,902/- ending March'26)	-	12.59
(b) Vehicle Loan ICICI Bank (Repayable on 36 EMI of ₹37,766/- ending Oct'25)	-	2.58
Total	-	15.16

21 **LEASE LIABILITIES (CURRENT)**

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Lease Liability	133.33	116.77
Total	133.33	116.77

21(a) The Movement of lease liabilities during the years ended 31st March, 2025 and 31st March, 2024 is as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning	264.00	390.25
Additions	55.32	-
Finance cost accrued during the year	-	-
Deletions	-	-
Payment of Lease Liabilities	(117.76)	(126.25)
Total	201.57	264.00

22 **BORROWINGS (CURRENT)**

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Loan repayable on demand		
Secured (Refer Note "Sanction Terms")		
Cash credit	-	-
Bank Overdraft	553.62	-
Working Capital Term Loan	-	-
Current maturity of long term loans	15.16	37.28
Total	568.78	37.28

Sanction Terms :-

Short term Secured Loans & Working Capital Facilities:-

ICICI Bank

Against Hypothecation of company's entire current Assets.

Collateral Charge on corporate office of the Company at C-501, Business Square, Chakala, Andheri(East), Mumbai.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

IndusInd Bank

Against Hypothecation of company's entire current Assets.

Personal Guarantee of Directors - Karan Motwani & Anjana Motwani

Collateral Charge on Industrial Land & Building owned by the Directors Mr. Karan Motwani & Mrs. Anjana Motwani.

23 TRADE PAYABLES

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Total outstanding dues of micro and small enterprises*	574.51	393.75
Total outstanding dues of creditors other than micro and small enterprises	1,720.62	1,209.44
Total	2,295.13	1,603.19

*Refer Note No.40 - The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.

Refer Note No 50 for Trade Payables ageing schedule

24 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(a) Others		
Security deposits	1.00	1.00
Payable to Employees	323.16	260.93
Payable towards services received	6.98	7.89
Payable towards stores, spares and consumables	85.43	104.60
Capital Creditors	234.35	119.50
Total	650.92	493.93

25 OTHER CURRENT LIABILITIES

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Withholding taxes and others	18.12	20.18
Other Statutory Dues	25.06	22.57
Advances received from customers	131.15	95.97
Liability towards Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 (IEPF) not due		
- Unpaid/Unclaimed dividends	2.08	-
Total	176.41	138.71

26 PROVISIONS

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Non Current		
Provision for Gratuity	79.92	69.04
Total	79.92	69.04

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current		
Provision for Employee benefits	30.00	30.00
Provision for Expenses	266.39	95.15
Total	296.39	125.15

27 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current Tax Payable (Net of Advance tax)	-	128.15
Total current tax liabilities	-	128.15

28 TAX ASSET (NET) / TAX EXPENSE

(A) Deferred tax expense

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(DTL)/DTA for the year	(111.13)	(37.63)
(DTL)/DTA on OCI for the year	3.26	(1.11)
Net (DTL)/DTA for the year	(107.87)	(38.74)
Balance of Deferred Tax Asset /(Liability) as at 31 st March, 2024	12.75	51.49
Balance of Deferred Tax Asset /(Liability) as at 31st March, 2025	(95.12)	12.75

Movement of Deferred Tax assets and liabilities:

Movement during the period ended 31 st March, 2025	31 st March, 2024	Recognised in Statement of Profit & Loss	Recognised under OCI	31 st March, 2025
Deferred Tax Liability in relation to:				
Property, Plant and Equipments	(169.92)	(86.40)		(256.32)
ROU Assets	(56.53)	13.14		(43.39)
Intangible Assets	0.17	0.38		0.55
Expected Credit Loss	157.58	(26.17)		131.41
Remeasurement (loss)/gain on defined benefit plan	17.37	(0.52)	3.26	20.11
Lease Liability	56.53	(5.80)		50.73
Items allowed on payment basis (Prepaid/PPI)	7.55	1.60		9.15
Fair value of financial instruments		(7.36)		(7.36)
Net deferred Tax Liability	12.75	(111.13)	3.26	(95.12)

Movement of Deferred Tax assets and liabilities:

Movement during the period ended 31 st March, 2024	31 st March, 2023	Recognised in Statement of Profit & Loss	Recognised under OCI	31 st March, 2024
Deferred Tax Liability in relation to:				
Property, Plant and equipments	(108.90)	(61.02)		(169.92)
ROU Assets	(89.08)	32.55		(56.53)
Intangible Assets	(0.10)	0.28		0.17
Expected Credit Loss	120.69	36.89		157.58

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Movement during the period ended 31 st March, 2024	31 st March, 2023	Recognised in Statement of Profit & Loss	Recognised under OCI	31 st March, 2024
Remeasurement (loss)/gain on defined benefit plan	23.08	(4.60)	(1.11)	17.37
Lease Liability	98.22	(41.69)		56.53
Items allowed on payment basis (Prepaid/PPI)	7.60	(0.04)		7.55
Net deferred Tax Liability	51.49	(37.63)	(1.11)	12.75

(B) Income tax expense

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Current tax taxes	(426.59)	(716.10)
- Adjustments in respect of current income tax of previous year	-	-
- Deferred tax charge / (income)	(107.88)	(38.74)
Income tax expense reported in the statement of profit or loss	(534.47)	(754.84)

(C) Income tax expense charged to OCI

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Net loss/(gain) on remeasurements of defined benefit plans	3.26	(1.11)
Income tax charged to OCI	3.26	(1.11)

(D) Reconciliation of tax Expense and the Accounting profit for the year as under

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Profit before tax	2,318.50	2,811.66
Tax Rate	25.17%	25.17%
Income tax expense at tax rates applicable	583.52	707.64
Tax effects on Depreciation & non deductible expenditure	(49.05)	47.20
Adjustments in respect of current income tax of previous year	-	-
Income tax (expense) / income	534.47	754.84

(E) Unrecognised Deferred tax assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Deferred tax asset		
Deferred tax asset on business losses	-	-
Deferred tax asset on unabsorbed depreciation	-	-
Other Unrecognised deferred tax asset	-	-
On unwinding of interest on borrowings from related parties	-	-
On Fair valuation of Security deposits given	-	-
Deferred tax liability		
On Fair valuation of interest free borrowings from related parties	-	-
Total	-	-

29 REVENUE FROM OPERATIONS

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Revenue from Operations (Net)	25,124.64	23,590.60
Total	25,124.64	23,590.60

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Reconciliation of revenue recognised with the contracted price is as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Contracted Price	25,734.75	24,143.29
Reduction towards variable consideration components [^]	(610.11)	(552.68)
	25,124.64	23,590.60

[^] The reduction towards estimated variable consideration includes discounts, rebates and schemes.

30 OTHER INCOME

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Interest Income		
Interest on Fixed deposits with banks	125.90	163.06
(b) Other Gains and Losses		
Exchange gain/(losses) on transactions	86.87	70.88
Rodtep Subsidy	21.02	
Duty Drawback Refund	28.88	23.93
Freight/Transportation Charges Recovered	9.49	11.97
Profit on Sale of Fixed Asset	-	0.05
Expected Credit Gain	55.69	-
Income on Investments carried at fair value through profit or loss	-	
Gain on sale of current investments designated as FVTPL	67.54	64.09
Fair value gain arising from financial instruments designated as FVTPL	44.39	-
Sundry Balances written back	4.56	1.80
Miscellaneous income	3.86	1.30
Total	448.22	337.09

31 COST OF MATERIAL CONSUMED

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Raw materials & Components at the beginning of the year	2,048.55	1,950.32
Add: Purchases		
Raw Material & Components	13,377.49	11,864.23
Less: Raw materials & Components at the end of the year	2,438.67	2,048.55
Total	12,987.37	11,766.00

32 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Inventories at the beginning of the year	2,720.43	2,535.73
Less: Inventories at the end of the year	3,176.26	2,720.43
Net (increase) / decrease in inventories	(455.83)	(184.71)

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**
33 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Salaries and wages (including Staff Welfare)	2,958.51	2,453.31
Director's Remuneration	195.16	167.99
Contribution to Provident and other funds	137.42	120.42
Gratuity expense	49.16	43.62
Bonus	60.96	69.48
Total	3,401.21	2,854.83

34 FINANCE COSTS

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Interest on secured borrowing	8.78	45.83
LC Charges	1.94	0.14
Interest expenses on financial liabilities measured at amortised cost	17.02	27.35
Interest on late Payments of TDS/TCS	0.52	2.76
Interest on late Payments Others	0.73	-
Bank Charges & Commission	33.09	8.03
Subvention Charges (Sale Invoice Discounting)	152.90	103.84
Total	214.98	187.95

35 DEPRECIATION EXPENSES

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Depreciation on property, plant and equipment (Refer Note 5 & 6)	353.70	293.38
Depreciation on intangible assets (Refer Note 7B)	6.90	6.66
Amortisation of Right to Use Assets (Refer Note 7A)	109.89	129.31
Total	470.48	429.35

36 OTHER EXPENSES

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Production expenses	940.09	711.48
Telephone and communication charges	18.56	15.79
Printing & Stationery	9.79	13.61
Repairs & maintenance expenses		
Building	7.94	18.27
Machinery	141.83	122.90
Conveyance and travelling expenses	417.13	414.03
Insurance charges	97.53	75.05
Independent Director's Sitting Fees	9.75	10.45

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Business promotion expenses	669.25	573.80
Legal & professional charges	147.55	76.70
Office Expenses/Miscellaneous Expenses	54.15	61.10
Donation	2.10	1.29
Lease Rent & License Fees	46.42	35.22
Rates & Taxes	28.32	30.83
Membership & subscription	5.26	7.68
Payment to Auditors (refer note 36 (a))	20.00	24.00
Computer consumables, software & maintenance charges	43.24	20.30
Selling & Distribution Expenses	176.56	92.24
Carriage & Freight	471.95	420.76
Expected Credit Loss	-	102.86
Loss on Sale of Fixed Asset	0.26	-
CSR Expenses (refer note 36 (b))	40.91	25.12
Total	3,348.59	2,853.48

36 (a) Note : The following is the break-up of Auditor's remuneration (excluding input credit of service tax / GST availed, if any)

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Statutory Audit Fees	19.00	19.00
Other Services-Limited Reviews, Certifications & Reimb. of Exp.	1.00	5.00
Total	20.00	24.00

36 (b) Details of Corporate Social Responsibility (CSR) Expenditure

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
A. Gross amount required to be spent by the Company during the year	34.20	24.28
B. Actual amount spent during the year and charged to CSR Expenses (including previous years excess spent) is as follows :		
(i) Construction/Acquisition of any Asset	19.74	19.74
(ii) On purpose other than above - in cash	5.09	5.09
C. Disclosure as per section 135(5)-Excess amount spent		
Opening unspent amount	(0.55)	-
Gross amount to be spent by the Company for the current year	34.20	24.28
	33.65	24.28
Gross amount spent by the Company of previous years		
Gross amount spent by the Company for Current year (Allowable)	40.91	24.83
	40.91	24.83
Excess amount paid during the year carried forward as prepaid(*)	(7.26)	(0.55)

* Amount of ₹ 7.26 Lakhs available to be set off in upcoming financial year.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**
36 (c) Bad Debts written off net of expected credit loss allowance

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Bad Debts written	48.30	0.23
Expected Credit Allowance	(48.30)	(0.23)
Bad Debts written off (net of expected credit loss allowance)	-	-

37 EXCEPTIONAL ITEMS

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Goods damaged due to Natural Calamities/ Insurance Claim Received	-	(22.40)
Total	-	(22.40)

38 EARNINGS/ LOSS PER SHARE

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods for any share split and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The following is a reconciliation of the equity shares used in the computation of basic and diluted EPS:

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Ordinary equity shareholders		
Profit/(Loss) attributable to ordinary equity holders	1,784.03	2,056.81
Weighted average number of equity shares for calculation of basic EPS	9,18,74,735	9,18,74,735
Face Value per share (₹)	2	2
Basic Earnings per share (₹)	1.94	2.24
Diluted Earnings per share (₹)	1.94	2.24

At the Annual General Meeting of the Company held on 29th September, 2023, approved the sub-division of equity shares of the Company from existing face value of 10 each into face value of 2 each and from existing no. of shares 1,83,74,947 into 9,18,74,735 (i.e. split of 1 equity share of 10 each into 5 equity shares of 2 each), Accordingly, face value of the equity shares of the Company now stand at 2 each w.e.f. the record date namely 09th November, 2023.

Computation of Weighted Average number of shares

Particulars	As at 31 st March 2025	As at 31 st March 2024
Calculation of weighted number of shares of ₹ 2/- each		
Number of shares outstanding as an 01 st April	9,18,74,735	9,18,74,735
Weighted number of Shares considered for calculation of Basic EPS	9,18,74,735	9,18,74,735

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**
39 CONTINGENT LIABILITIES AND COMMITMENTS
A - Contingent Liabilities

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
1. Letter of comfort issued to banks	-	-
2. Claim against the Company not acknowledged as debt		
(i) Income Tax matter dispute under appeal (AY 14-15)	2.70	2.70
(ii) Income Tax Matter - Rectification filed for Demand under section 147 (AY 19-20)	241.59	-
(iii) Others- Uncrystallised effect of Bank Guarantee given by company to Deputy Commissioner, Central Excise Anti Evasion Wing, Mumbai #	51.25	51.25
(iv) Demand raised against short duty paid Under Sec. 11A(10) of Central Excise (iv)Act, 1944 (Appeal Filed In Tribunal , Appeal No. E/86416/2021)	2.06	2.06
Total	297.60	56.01

Relates to guarantee given still on hold with department related to Excise duty demand already settled under Sab Ka Vishwas Legacy Dispute Resolution Scheme in FY 2019-20. The same pertains to the redemption fine which is now being waived off , company awaits the order to release the BG.

Trademark Proceedings

The Company is subject to ongoing proceedings on Trademark applications which have arisen in ordinary course of business. The Company's management reasonably expects that such ordinary course legal proceedings, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

B - Commitments

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
1. Estimated amount of Contracts remaining to be executed on Capital account and not provided for		
(i) Towards Property, Plant & Equipment*	61.59	232.45
(ii) Towards Intangible Assets	-	-
Total	61.59	232.45

* includes IPO objects CAPEX Commitments.

40 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2022-2023, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
(i) Principal amount and the Interest due thereon remaining unpaid to each supplier at the end of each accounting year.		
Principal amount due to micro and small enterprise*	574.51	393.75
Interest due on above	-	-

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
Total	574.51	393.75

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified till date on the basis of information collected by the Management. This has been relied upon by the auditors.

Company has not provided any Interest on outstanding dues to MSME suppliers.

41 | EMPLOYEE BENEFITS
(A) Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss –

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Employer's Contribution to Recognised Provident Fund	159.99	109.99

(B) Defined benefit plans
i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of gratuity over the year as under:
a) Reconciliation of opening and closing balances of Defined benefit obligation

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Defined benefit obligation at the beginning of the year	159.66	121.67
Interest cost	10.50	8.59
Current service cost	44.88	37.08
Benefits paid	(1.18)	(1.49)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	9.95	4.02
Actuarial (gain)/ loss on obligations - Due to experience	6.17	(10.20)
Defined benefit obligation at the year end	229.98	159.66

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**
b) Reconciliation of Opening and closing balances of fair/ value of plan assets

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Fair value of plan assets at the beginning of the year	90.63	29.97
Employer contribution	50.00	61.49
Benefits paid	(1.18)	(1.49)
Interest Income	6.22	2.46
Return on plan assets excluding interest income	4.39	(1.80)
Fair value of plan assets at the year end	150.06	90.63

c) Investment details of Plan Assets

S. No.	Particulars	Name of Trust	Policy No.	Investment With
1)	Gratuity	HP Adhesives Limited Employees Group Gratuity Trust	G0001829	HDFC Group Traditional Plan

d) Expense recognised during the year (Under the head "Employees benefit expenses")

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
In Income Statement	49.16	43.20
In Other comprehensive Income	12.95	(4.38)
Expense recognised during the year	62.11	38.82

e) Expense recognised in Other comprehensive income

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Actuarial (gain) / loss on Obligation for the period		
changes in financial assumptions	11.17	4.02
experience adjustment	6.17	(10.20)
Actual Return on Plan Assets less interest on plan assets	(4.39)	1.80
Net actuarial (gains) / losses recognised in Other Comprehensive Income	12.95	(4.38)

f) Reconciliation of fair value of assets and obligations

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Present value of defined benefit obligations	(229.98)	(159.66)
Fair Value of Plan Assets	150.06	90.63
Net asset / (liability)	(79.92)	(69.04)

g) A quantitative sensitivity analysis for significant assumption is as shown below:

(₹ in Lakhs unless otherwise stated)

Impact on defined benefit obligation	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Discount rate		
0.5% increase	218.97	151.80
0.5% decrease	242.03	168.27

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**

(₹ in Lakhs unless otherwise stated)

Impact on defined benefit obligation	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Rate of increase in salary		
0.5% increase	241.36	167.83
0.5% decrease	219.46	152.02
Rate of employee turnover		
1% increase	-	-
1% decrease	-	-

h) Maturity profile of defined benefit obligation

(₹ in Lakhs unless otherwise stated)

Year	As at 31 st March 2025	As at 31 st March 2024
Expected Outgo First	45.51	29.64
Expected Outgo Second	9.69	4.99
Expected Outgo Third	12.40	8.34
Expected Outgo Fourth	12.10	10.70
Expected Outgo Fifth	12.53	9.91
Expected Outgo Six to Nine years	62.52	48.91
Expected Outgo for Ten years and above	406.58	315.64

ii) Actuarial assumptions : Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions

Particulars	As at 31 st March 2025	As at 31 st March 2024
Discount rate (per annum)	6.80%	7.25%
Rate of increase in Salary	7.00%	7.00%

In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefits obligations.

The Company contributes gratuity liabilities directly to HDFC Trust Group through HP Adhesives Limited Employees Group Gratuity Trust. Trustees administer contributes made to the Trusts and contributes are invested in a scheme with the HDFC Trust Group as permitted by Indian Law.

Gratuity fund asset is managed by HDFC Life Group, there is no material risk that the Company would be unable to meet its gratuity liability. Also as the fund is set up as a trust, the monies as a part of the trust will not flow back into the Company until the last employee of the trust is paid.

The present value of the Defined Benefits obligation and the related current service cost is measured using the Projected Unit Credit Actuarial Method at the end of Balance Sheet date by the Actuary.

The Company assesses all the above assumptions with its projected long term plans of growth and prevalent industry standards.

Note on other risks:

- Investment Risk – The funds are invested by HP Adhesives Limited Employees Group Gratuity Trust managed by HDFC and they provide returns basis the prevalent bond yields, Bank on an annual basis requests for contributions to the fund.
- Interest Risk – HP Adhesives Limited Employees Group Gratuity Trust managed by HDFC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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- Longevity Risk – Since the gratuity payment happens at the retirement age of 60 or on leaving of Job post completion of 5 years whichever is early, longevity impact is very low at this age, hence this is a non-risk.
- Salary Risk – The liability is calculated taking into account the salary increase, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

42 | LEASES
(A) Operating leases where Company is a lessee:

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2025 on an undiscounted basis:

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Within one year	141.17	135.78
After one year but not more than five years	14.38	155.55
More than five years		

(B) Finance lease where Company is a lessor: Not Applicable

43 | RELATED PARTY DISCLOSURES:
Disclosures under Accounting Standards Ind As 24 - "Related Party Disclosure" of the companies (Indian Accounting Standards) Rules, 2015

 DETAILS OF RELATED PARTY TRANSACTIONS for period ended 31st March, 2025

Names of related parties and nature of relationship
(A) Wholly Owned Subsidiary

Unitybond Solutions Private Limited

(B) Key Management Personnel (KMP)

Anjana Haresh Motwani (Chairman)

Karan Haresh Motwani (Managing Director)

Nidhi Motwani (Executive Director)

Rajendra Kumar Jain (Independent Director)

Surendra Kumar Mehta (Independent Director)

Ajeet Anant Walavalkar (Independent Director)

Mihir Shah (Chief Financial Officer)

Jyoti Nikunj Chawda (Company Secretary)

(C) Entities/Company in which KMP / Relatives of KMP can exercise significant influence :

HP Composites LLP

HP Trading

HP Sales Corporation

Advance Solvent Adhesives

HP Marketing

HP International

HP International Limited

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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Hindustan Products
Raigad Carbides HUF
Raigad Oxygen Private Limited
Raigad Steel And Roll Forms Private Limited
HP Plastics
HDM Estates Private Limited
Advance Solvent Adhesives

(D) Other Related Parties

HP Adhesives Limited Employees Group Gratuity Trust

(₹ in Lakhs unless otherwise stated)

Particulars	Nature of Relationship	Amount	Amount
Remuneration to Key Managerial Person (KMP) of the Company (Inc. all benefits):		2025	2024
1 Anjana Haresh Motwani	Director	63.20	50.32
2 Karan Haresh Motwani	Director	90.87	85.86
3 Nidhi Motwani	Director	41.08	35.68
Lease Rent to Key Managerial Person (KMP) of the Company:			
1 Anjana Haresh Motwani	Director	43.20	43.20
2 Karan Haresh Motwani	Director	43.20	43.20
Business Transactions with Entities in which KMP / relatives of KMP have significant influence:			
(A) Sale of Goods*			
1 Raigad Carbides HUF	Director's Husband is a member HUF	-	7.54
2 HP Composites LLP	Directors are Partners	1.32	-
3 Unitybond Solutions Private Limited	Wholly Owned Subsidiary	252.35	-
(B) Purchase of Goods*			
1 Raigad Carbides HUF	Director's Husband is a member HUF	1.75	1.75
2 Raigad Oxygen Private Limited	Director's Husband is a Director	50.06	52.34
3 HP Composites LLP	Directors are Partners	0.04	-
(C) Purchase of Assets*			
1 Raigad Steel and Roll Forms Private Limited	Director Husband Director	19.29	261.64
2 Raigad Carbides HUF	Director's Husband is a member HUF	5.24	-
(D) Sale of Assets*			
1 Unitybond Solutions Private Limited	Wholly Owned Subsidiary	25.69	-
* GST not included			
Other Transactions			
1 HP Adhesives Limited Employees Group Gratuity Trust	Gratuity Trust	50.00	60.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Outstanding Balances Receivable/(Payable) as on 31st March, 2025

S. No.	Particulars	Nature of Relationship	Amount	Amount
1	Raigad Carbides HUF	Director's Husband is a member HUF	1.40	1.79
2	Raigad Oxygen Private Limited	Director's Husband is a Director	(0.70)	(2.02)
3	Raigad Steel and Roll Forms Private Limited	Director Husband Director	-	(69.20)
4	HP Composites LLP	Directors are Partners	0.17	-
5	Unitybond Solutions Private Limited	Wholly Owned Subsidiary	124.00	-

Notes :

- Sitting Fees to Non-Executive & Independent Directors paid during the year is ₹ 9.25 Lakhs.
- Remuneration paid to KMPs (Inc. all benefits) (other than directors) during the year is ₹ 61.98 Lakhs.
- Transaction with Raigad Carbides HUF- Purchase of Raw materials (Oxygen and nitrogen cylinder, LPG Cylinder) & Sales of Solvents appears to be at arm's length value. Values of transactions are insignificant and occasional in nature.
- Transaction with Raigad Oxygen Private Limited- Payments for purchase of Fuel/Diesel. On sample verification transaction are generally on arm's length values as market comparable rates available
- Transactions with Raigad Steel and Roll Form Private Limited related to construction of Mezzanine floor - At arm's length based on documents evaluated by the Board earlier while granting approval. Presently, 95% of Project is completed as per Chartered Engineer Certificate.
- Related parties taken as identified by management.

44 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, Investment in Deposits, Loans and advances, Security Deposits, Investment in Gratuity Fund, Borrowings, Trade payables and lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The amortised cost using effective interest rate (EIR) of non-current financial - term deposits is not significantly different from the carrying amount.

The carrying value and fair value of financial instruments by categories as at 31st March, 2025 are as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at FV through profit and loss		Financial assets/ liabilities at FV through OCI (including Equity instruments Designated upon initial recognition)	Total carrying value	Total fair Value
		Designated upon initial recognition	Mandatory			
FINANCIAL ASSETS						
Investment*	3,447.17	-	44.39	-	3,491.57	3,491.57
Trade receivables	4,177.75	-	-	-	4,177.75	4,177.75
Cash and cash equivalents	305.63	-	-	-	305.63	305.63
Other Bank balances	159.29	-	-	-	159.29	159.29
Other Financial Asset	285.96	-	-	-	285.96	285.96
Loans and advances	101.69	-	-	-	101.69	101.69
Total	8,477.49	-	44.39	-	8,521.89	8,521.89

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(₹ in Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at FV through profit and loss		Financial assets/liabilities at FV through OCI (including Equity instruments Designated upon initial recognition)	Total carrying value	Total fair Value
		Designated upon initial recognition	Mandatory			
FINANCIAL LIABILITIES						
Lease Liabilities	201.57	-	-	-	201.57	201.57
Borrowings	568.78	-	-	-	568.78	568.78
Trade payables	2,295.13	-	-	-	2,295.13	2,295.13
Other Financial Liabilities	650.92				650.92	650.92
Total	3,716.40	-	-	-	3,716.40	3,716.40

Collateral: Refer Note No. 22 related to Financial Assets pledged as collateral

* Includes bank deposits classified under other current assets

The carrying value and fair value of financial instruments by categories as at 31st March, 2024 are as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at FV through profit and loss		Financial Assets/Liabilities at FV through OCI (including Equity instruments Designated upon initial recognition)	Total carrying value	Total fair Value
		Designated upon initial recognition	Mandatory			
FINANCIAL ASSETS						
Investment*	2,111.33		6.73	-	2,118.06	2,118.06
Trade receivables	3,648.02	-	-	-	3,648.02	3,648.02
Cash and cash equivalents	77.91	-	-	-	77.91	77.91
Other Bank balances	831.98	-	-	-	831.98	831.98
Other Financial Asset	486.83	-	-	-	486.83	486.83
Loans and advances	106.31	-	-	-	106.31	106.31
Total	7,262.38	-	6.73	-	7,269.11	7,269.11
FINANCIAL LIABILITIES						
Lease Liabilities	264.00	-	-	-	264.00	264.00
Borrowings	52.45	-	-	-	52.45	52.45
Trade payables	1,603.19	-	-	-	1,603.19	1,603.19
Other Financial Liabilities	493.93				493.93	493.93
Total	2,413.57	-	-	-	2,413.57	2,413.57

* Includes bank deposits classified under other current assets

45 FAIR VALUE HIERARCHY

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(₹ in Lakhs unless otherwise stated)

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2025			
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investment*	2,273.39	1,017.17	201.00
Trade receivables		4,177.75	
Cash and cash equivalents		305.63	
Other Bank balances		159.29	
Other Financial Asset		285.96	
Loans and advances		101.69	
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost			
Lease Liabilities		201.57	
Borrowings		568.78	
Trade payables		2,295.13	
Other Financial Liabilities		650.92	

(₹ in Lakhs unless otherwise stated)

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2024			
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investment*	1,819.90	298.16	
Trade receivables		3,648.02	
Cash and cash equivalents		77.91	
Other Bank balances		831.98	
Other Financial Asset		486.83	
Loans and advances		106.31	
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost			
Lease Liabilities		264.00	
Borrowings		52.45	
Trade payables		1,603.19	
Other Financial Liabilities		493.93	

There have been no transfers between Level 1 and Level 2 during the period

The carrying amount of financial assets and financial liabilities measured at amortised cost in the standalone financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investments, foreign currency receivables and payables, loans and borrowings and deposits. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakhs unless otherwise stated)

Years		Outstanding Borrowing Amount	Increase/ decrease in basis points	Impact on profit before tax
2025				
₹	Variable Interest Rate Borrowings	561.67 (₹ in Lakhs)	+100	5.62
		(₹ in Lakhs)	(100)	(5.62)
USD	Variable Interest Rate Borrowings	- (\$ in '000)	+100	-
		(\$ in '000)	(100)	-
2024				
₹	Variable Interest Rate Borrowings	1.58 (₹ in Lakhs)	+100	0.02
		(₹ in Lakhs)	(100)	(0.02)
USD	Variable Interest Rate Borrowings	- (\$ in '000)	+100	-
		(\$ in '000)	(100)	-

(ii) Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of its trade receivables, trade payables and payables for goods in foreign currency. The Company has not used derivative financial instruments either for hedging purpose or for trading or speculative purposes.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs unless otherwise stated)

	Outstanding Foreign currency Amount (Outstanding Debtors and Creditors in Foreign currency) (Amount in USD)	Increase/ decrease in basis points	Impact on profit before tax (Amount in USD)
2025	7,08,593	+5%	35,429.65
		(5%)	(35,429.65)
2024	4,56,265	+5%	22,813.25
		(5%)	(22,813.25)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities and lease deposits and/ or any other financial assets.

ECL on trade receivable is carried out as per the provision matrix below:

(₹ in Lakhs unless otherwise stated)

Receivables Ageing	Gross Carrying amount (as on 31 st March, 2025)	Expected loss rate	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Not due	2,997.15	1.50%	44.98	2,952.17
0-30 days	839.28	7.34%	61.64	777.63
30-60 days	210.94	15.83%	33.40	177.54
60-90 days	152.97	28.73%	43.95	109.02
90-120 days	137.39	28.73%	39.48	97.91
120-150 days	28.39	45.31%	12.86	15.52
150-180 days	17.52	65.06%	11.40	6.12
More than 180 days	316.24	86.77%	274.41	41.82
Carrying amount of trade receivables (net of impairment)	4,699.88		522.13	4,177.75
Total				4,177.75

(₹ in Lakhs unless otherwise stated)

Receivables Ageing	Gross Carrying amount (as on 31 st March, 2024)	Expected loss rate	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Not due	2,613.61	1%	22.76	2,590.85
0-30 days	667.83	4%	30.23	637.61
30-60 days	182.61	12%	20.73	161.88
60-90 days	270.72	25%	68.66	202.06
90-120 days	31.34	25%	7.95	23.39
120-150 days	16.19	43%	8.28	7.91
150-180 days	10.14	63%	7.37	2.77
More than 180 days	481.71	94%	460.16	21.55
Carrying amount of trade receivables (net of impairment)	4,274.15		626.13	3,648.02
Total				3,648.02

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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The following table summarises the changes in loss allowances measured using life time expected credit loss model -

Particulars	As at 31 st March 2025	As at 31 st March 2024
Opening Provision	626.13	523.50
Add: Adjustments during the year	(104.00)	102.63
Closing provision	522.13	626.13

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of the Company's financial liabilities:

(₹ in Lakhs unless otherwise stated)

Particulars	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31st March, 2025				
Borrowings				
Term Loans (Including Vehicle Loans)	15.16	-	-	15.16
Short term borrowings (Net)	553.62	-	-	553.62
Lease liabilities	141.17	14.38	-	155.55
Trade payables	2,295.13	-	-	2,295.13
	3,005.08	14.38	-	3,019.46

(₹ in Lakhs unless otherwise stated)

Particulars	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31st March, 2024				
Borrowings				
Term Loans (Including Vehicle Loans)	37.28	15.16	-	52.45
Short term borrowings	-	-	-	-
Lease liabilities	135.78	155.55	-	291.32
Trade payables	1,603.19	-	-	1,603.19
	1,776.25	170.71	-	1,946.96

47 CONTRACT BALANCES

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March 2025	As at 31 st March 2024
Trade receivables	-	-
Contract assets	-	-
Contract liabilities	-	-

Amount of revenue recognised from Contract liabilities

Particulars	As at 31 st March 2025	As at 31 st March 2024
Amounts included in contract liabilities at the beginning of the year	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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48 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using net debt to equity ratio, which is net debt (as reduced by cash and cash equivalent) divided by total equity.

(₹ in Lakhs unless otherwise stated)

Particulars		As at 31 st March 2025	As at 31 st March 2024
Total Equity	(i)	18,387.64	16,888.93
Total Borrowings		568.78	52.45
Less: Cash and Cash Equivalents (including Banks deposits & Liquid Mutual Funds)		(4,057.95)	(3,528.75)
Net debt	(ii)	(3,489.18)	(3,476.30)
Net Debt to Equity ratio (Net Gearing Ratio)	(ii)/ (i)	(18.98%)	(20.58%)

Dividends

Equity Share	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Interim Dividend of ₹ /- each	-	-
Final Dividend of ₹ 0.30/- each	275.62	-
	275.62	-

The Board of Directors of the Company in its meeting held on 14th May, 2024 has approved and declared final dividend of ₹ 0.30/- i.e. 15% on Face Value of ₹2/- per equity share of the Company for the financial year 2023-2024 which was later approved by shareholders in AGM.

49 TRADE RECEIVABLES (GROSS) AGEING SCHEDULE FOR THE YEARS ENDED AS ON 31ST MARCH, 2025 IS AS FOLLOWS:

(₹ in Lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months (inc. not due)	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
A. Undisputed Trade Receivables						
(i) Considered good	4,135.92	5.52	8.05	9.17	19.09	4,177.75
(ii) Having significant increase in credit risk considered doubtful						
(ii) Credit Impaired	247.71	36.20	52.79	60.19	125.24	522.13
B. Disputed Trade Receivables						
(i) Considered good						
(ii) Having significant increase in credit risk considered doubtful						
(ii) Credit Impaired						

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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Trade Receivables(Gross) Ageing Schedule for the years ended as on 31st March, 2024 is as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months (inc. not due)	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
A. Undisputed Trade Receivables						
(i) Considered good	3,626.48	3.54	4.17	3.41	10.43	3,648.02
(ii) Having significant increase in credit risk considered doubtful						
(ii) Credit Impaired	165.97	71.21	84.65	68.25	236.05	626.13
B. Disputed Trade Receivables						
(i) Considered good						
(ii) Having significant increase in credit risk considered doubtful						
(ii) Credit Impaired						

in case of no due dates specified, date of transaction is considered

Gross carrying values after deducting the bad debts are considered without considering the effect of provision of ECL are considered.

Total Bad debts written off during the year amount of ₹ 48.30 Lakhs adjusted with ECL provision.

50 TRADE PAYABLES AGEING SCHEDULE FOR THE YEARS ENDED AS ON 31ST MARCH, 2025 IS AS FOLLOWS:

(₹ in Lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to Micro & Small Enterprises	543.70	30.81			574.51
(ii) Dues to Other than Micro & Small Enterprises	1,717.94	2.68			1,720.62
(iii) Disputed dues to Micro & Small Enterprises					
(iv) Disputed Dues to other than Micro & Small Enterprises					

Trade Payables Ageing Schedule for the years ended as on 31st March, 2024 is as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to Micro & Small Enterprises	393.61	0.14			393.75
(ii) Dues to Other than Micro & Small Enterprises	1,208.34	1.10			1,209.44
(iii) Disputed dues to Micro & Small Enterprises					
(iv) Disputed Dues to other than Micro & Small Enterprises					

In case of no due dates specified, date of transaction is considered

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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51 The Company does not have any transactions with the struck off companies during the current & previous year.

52 Disclosure regarding details of Benami Property held- Nil

53 Disclosure regarding wilful Defaulter- Nil

54 Disclosure regarding pending registration of charges or satisfaction with Registrar of Companies : As explained by company and secretarial compliance officer, No such matter are pending.

55 Disclosure regarding compliance with number of layers of companies as prescribed clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable on the Company as no subsidiaries to the Company.

56 DISCLOSURE OF SIGNIFICANT RATIO :

	Particulars	Numerator	Denominator	As at 31 st March		Variance (in %)	Reason for Variance
				2025	2024		
(a)	Current Ratio	Current Assets	Current Liabilities	3.52	4.63	(31.40)	Note (a)
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.03	0.00	89.96	Note (b)
(c)	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	11.01	13.22	(20.07)	NA
(d)	Return on Equity Ratio,	Net profits after tax	Shareholders Equity	9.7%	12.2%	(25.52)	Note (c)
(e)	Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.05	3.20	(5.06)	NA
(f)	Trade Receivables turnover ratio	Revenue	Average Trade Receivables	6.42	6.40	0.35	NA
(g)	Trade payables turnover ratio	Purchases of RM and Trading goods	Average Trade Payables	8.55	8.32	2.65	NA
(h)	Net capital turnover ratio	Revenue	Working Capital (excluding cash and current borrowings)	2.39	2.70	(13.07)	NA
(i)	Net profit ratio	Net Profit	Revenue	7.1%	8.7%	(22.79)	NA
(j)	Return on Capital employed	Earning before Interest & taxes	Capital Employed	13.3%	19.9%	(50.26)	Note (c)
(k)	Return on investment Unquoted (Fixed Deposits)	Income generated from Investments	Average Investments	6.0%	6.7%	(11.33)	NA

Note:

- Ratio has decreased as the trade payables in FY 2024-25 has increased higher than increase in current assets compared to the current assets and current liabilities levels in FY 2023-24
- Ratio has increased due to year-end liquidity management resulting in higher cash credit outstanding compared to FY 2023-24. However this increase in outstanding cash credit facility is temporary.
- Ratio has declined due to reduction in profitability in FY 2024-25 due to higher employee and other expenses as compared to previous year whereas capital employed has only increased due to increasing size of the business.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

57 DISCLOSURE REGARDING UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

- (A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries regarding amount received on subscription of shares through IPO by FIIL (Qualified Institutional Investors) for which company as assured due diligence, FEMA Compliance have been duly complied by the Lead Merchant Banker, Registrar and Bankers to IPO.
- (c) Utilisation of Share Premium - Refer Note No.17.

58 Disclosure regarding undisclosed/surrendered Income if any under provisions of Income Tax Act, 1961: Company has no such events.

59 Disclosure regarding trading or inviting in Crypto Currency or Virtual Currency - NIL

60 The financial statements of the Company were authorised for issued in accordance with a resolution of the directors on 13th May, 2025.

61 MANAGEMENT NOTE ON AUDIT TRAIL

The Company has used accounting software for maintaining its Books of Accounts which has a feature of recording Audit trail (Edit log) facility and the same has been operated throughout the year for the relevant transactions recorded in the software except for other software used by company to maintain payroll and excel spreadsheets for inventory records. Wherever Audit trail is enabled no instances of Audit trail feature being tampered with was noted in respect of above accounting software and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

62 RECLASSIFICATION IN THE STATEMENT OF PROFIT AND LOSS

Based on review of commonly prevailing practices and to align with presentation used by the peer group companies, the management of the Company has (1) Separated Selling & Distribution Expenses between Selling & Distribution and Carriage and Freight Expense under same head of Other Expenses and; (2) Reclassified Freight/Transportation Charges Recovered of ₹ 11.17 Lakhs from Revenue from Operations to Other Income for the year ended 31st March, 2024.

The management believes that the such reclassification does not have any material impact on information presented in the consolidated statement of Profit and loss and in the consolidated balance sheet at the beginning of the preceding period. Accordingly, the Company has not presented third balance sheet in the consolidated financial statements.

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
Partner
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(PAN : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

INDEPENDENT AUDITORS' REPORT

To The Members of HP ADHESIVES LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of HP Adhesives Limited ("the Company") and its subsidiary (the Company and its subsidiary together referred to as the "Group"), which comprise the Consolidated Balance sheet as at 31st March 2025, and the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of Changes in Equity and Consolidated statement of Cash Flows for the year then ended, and notes to the Consolidated financial statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2025, and their consolidated profit, their consolidated other comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the

Consolidated financial statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements for the financial year ended 31st March 2025. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How Our Audit Addressed the Key Audit Matter
<p>A. Inventory</p> <p>(Refer to Note-2.6 for details of the Accounting Policies of inventories and Note-10 of Notes to Consolidated financial statements for relevant disclosures of inventories)</p> <ul style="list-style-type: none">The net carrying value of inventory as on 31st March, 2025 is 24.77 % of Total Assets of the Group.Volatility in Price of Raw Material which is dependent upon various domestic & Global market conditions.Complexity in Calculation of Inventory Consumption & Costing involving methodology. Inventory consumption is calculated using SKU-specific formulas developed by management. These formulas are confidential & business sensitive. The formulas are applied outside of an accounting environment, maintained & tracked using consolidated on consolidated bases using Excel spreadsheets.	<p><u>Our Audit Procedure</u></p> <p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none">Obtaining methodology of management in integration of inventory with finance module and assessing the design, implementation and operating effectiveness of management's key internal controls relating to physical verification of inventories by the management and assessed its consistency with prior years.

INDEPENDENT AUDITORS' REPORT (CONTD.)

Key Audit Matters	How Our Audit Addressed the Key Audit Matter
<ul style="list-style-type: none">Valuation of WIP & Finished goods involves auditor's judgment in evaluating the use of manual spreadsheets instead of an automated ERP solution, coupled with SKU-wise traceability and detailed documentation, that limits the audit trail and controls creating risk in cost allocation and valuation <p>Hence, we determined the Valuation of Inventory as a key audit matter.</p>	<ul style="list-style-type: none">Conducted analytical reviews of input-output ratios, material yield trends, and gross margins across key SKUs.Performance of test of details through sample selection of Stores as part of the inventory verification program, including verification of inventory from floor to documentary evidence and vice versa, followed by physical verification of Inventory lying on Factory Floor & Tin Plant on sample basis subsequent to year end and performed the roll back procedure.In respect of Stock held at various warehouses/depots, obtained direct confirmation of the inventory held by them at the year end.Evaluating the Valuation policy established by management, including compliance with the applicable accounting standard along with the appropriateness of the disclosure in the consolidated financial statements is in accordance with the applicable financial reporting framework.For Valuation, we have test checked samples of the cost of the finished goods with the estimated net realisable value and checked if the finished goods were recorded at net realisable value where the cost was higher than the net realisable value.We have relied upon the above procedures and management's representation to conclude thereon.
B. Trade Receivables & ECL Provision: <i>(Refer to Note-12 of Notes to Consolidated financial statements for relevant disclosures of Trade Receivables)</i>	
<ul style="list-style-type: none">Trade receivables and other amounts recoverable comprise a significant portion of the current financial assets. As at March 31, 2025 trade receivables aggregate ₹ 4,174.39 lakhs (net of provision for expected credit losses of ₹ 524.02 lakhs) and represents 18.30% of the Total value of Group's Assets.In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for re-measurement and recognition of impairment loss for Financial Assets as on each reporting period.The complexity in calculation of ECL is mainly related to calculations performed for different type of Customer and with different recovery period for different categories of customers along with significant risk due to the pervasive nature of these balances to the financial statements, and the importance of cash collection with reference to the working capital management of the business.Accordingly, we determined audit of trade receivables & ECL as the key audit matter.	<p><u>Our Audit Procedure</u></p> <ul style="list-style-type: none">Assessed the design and implementation of key controls around the monitoring of recoverability.Discussed with the management regarding the level and ageing of trade receivables, along with the justification for calculation of provisioning for expected credit loss on receivables it impact on current year profit's with regards to its appropriateness of receivables provisioning by assessing recoverability with reference to amount received in respect of trade receivables.Analysing the aging schedule of trade receivable, past collection, records, methodology used management, industry boom and concentration of customers' credit risk along with sample balance confirmations.We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation and tested the controls around data extraction and validation.Audited disclosures included in the Ind AS Consolidated financial statements in respect of movement of expected credit losses.

INDEPENDENT AUDITORS' REPORT (CONTD.)

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements

that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of Consolidated financial statements by the Directors of the Company as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the Entity included in the Group are responsible for assessing the ability of respective Entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective Entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Entity included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors 'report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also –

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary Company which are company incorporated in India

INDEPENDENT AUDITORS' REPORT (CONTD.)

has adequate internal financial controls System with reference consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding of the Company and such other entity included in the consolidated financial statements of which we are independent Auditors regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on

our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

(1) As required by section 143(3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of aforesaid consolidated financial statements,
- In our opinion, proper books of account as required by law relating to preparation of aforesaid consolidated financial statements have been kept by the Group, including relevant records, so far as it appears from our examination of those books except for the matters stated in paragraph (i)(vi) below on reporting under Rule 11(g);
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Consolidated financial statements.
- In our opinion, the aforesaid Consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- On the basis of the written representations received from the directors of the Company as on 31st March, 2025 taken on record by the Board

INDEPENDENT AUDITORS' REPORT (CONTD.)

of Directors of the Company and the report of the Statutory auditors of its statutory company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act;

- The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
- With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operative effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to consolidated financial statements of those Companies.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:-
 - The Consolidated financial statements has disclosed the impact of pending litigation on its financial position in its Financial Statements- Refer Note No.39 to the Financial Statements.
 - The Company did not have any material foreseeable losses on long term contracts including derivative contracts.
 - There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.
 - (a) The respective Management of the Company and its subsidiary which are companies incorporated in India

has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- As stated in note 48 to the accompanying consolidated financial statements :
 - No dividend has been proposed/ declared by the company during the year.

INDEPENDENT AUDITORS' REPORT (CONTD.)

- The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- vi) Based on our examination which includes test checks, performed by us on the Company and its subsidiaries incorporated in India, have used accounting software for maintaining its Books of Accounts for the financial year ended March 31, 2025 which has a feature of recording Audit trail (Edit log) facility and the same has been operated throughout the year for the relevant transactions recorded in the software except for other software used by company to maintain payroll and inventory records as described in Note 61

to the financial statements. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For Priya Choudhary & Associates LLP
Chartered Accountants
(FRN- 011506C/C400307)

Vaibhav Choudhary
(Partner)
M. No.: 407543
Place: Bhilwara (Raj.)
Date: 13/05/2025
UDIN: 25407543BMRJMP1355

ANNEXURE “A” TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under “Report on Other Legal and Regulatory Requirements” of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the Internal Financial Control with reference to Consolidated financial statements of HP Adhesives Limited (“the company”) as of 31st March, 2025 in conjunction with our audit of the Ind AS Consolidated financial statements of the Company for the year then ended.

MANAGEMENT RESPONSIBILITY FOR THE INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013 to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A Company's internal financial control with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Ind AS Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Consolidated financial statements includes those policies and procedures that -

pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Ind AS Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to Consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For Priya Choudhary & Associates LLP
Chartered Accountants
(FRN- 011506C/C400307)

Vaibhav Choudhary
(Partner)
M.No.: 407543
Place: Bhilwara (Raj)
Date: 13/05/2025

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2025

(₹ in Lakhs unless otherwise stated)			
Particulars	Notes	As at 31 st March, 2025	As at 31 st March, 2024
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	7,098.24	4,951.94
Capital work-in-progress	6	436.59	1,620.70
Right of Use Assets	7A	172.42	224.62
Other Intangible Assets	7B	14.72	19.47
Investment in Subsidiary	11	-	-
Financial Assets			
Other Financial Assets	8	285.96	486.83
Deferred Tax Asset (net)	28A	-	12.75
Other Non-Current Assets	9	46.43	208.88
Total Non-Current Assets		8,054.36	7,525.19
Current Assets			
Inventories	10	5,649.49	4,768.99
Financial Assets			
Investments	11	2,464.84	1,819.90
Trade Receivables	12	4,174.39	3,648.02
Cash and Bank Balances	13	313.73	77.91
Bank balances other than cash and cash equivalents	13	159.29	831.98
Loans	14	101.69	106.31
Current Tax Assets (net)	15	112.92	-
Other Current Assets	16	1,776.82	985.24
Total Current Assets		14,753.17	12,238.35
TOTAL ASSETS		22,807.52	19,763.55
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	17	1,837.49	1,837.49
Other Equity	18	16,590.47	15,051.43
Total Equity		18,427.97	16,888.93
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Lease Liabilities	19	68.24	147.23
Borrowings	20	-	15.16
Provisions	26	79.92	69.04
Deferred Tax Liabilities (net)		96.83	-
Total Non-Current Liabilities		244.99	231.43
Current Liabilities			
Financial Liabilities			
Lease Liabilities	21	133.33	116.77
Borrowings	22	568.78	37.28
Trade Payables	23		
(i) Total outstanding dues of Micro and Small Enterprises		578.97	393.75
(ii) Total outstanding dues of creditors other than Micro and Small Enterprises		1,720.62	1,209.44
Other Financial Liabilities	24	654.39	493.93
Other Current Liabilities	25	179.94	138.71
Provisions	26	296.70	125.15
Current Tax Liabilities (Net)	27	1.85	128.15
Total Current Liabilities		4,134.57	2,643.18
TOTAL LIABILITIES		4,379.55	2,874.62
TOTAL EQUITY AND LIABILITIES		22,807.52	19,763.55
Significant Accounting Policies and Key Accounting Estimates and Judgments	1-4		
See Accompanying Notes to Standalone Financial Statements	5-62		

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
Partner
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(PAN : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs unless otherwise stated)			
Particulars	Notes	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
INCOME			
Revenue from operations	29	25,287.16	23,590.60
Other income	30	457.62	337.09
Total Income		25,744.78	23,927.69
EXPENSES			
Cost of Material Consumed	31	13,078.74	11,766.00
Purchases of stock-in-trade		3,287.56	3,231.54
Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	32	(463.63)	(184.71)
Employee benefits expenses	33	3,403.75	2,854.83
Other expenses	36	3,378.59	2,853.48
Finance costs	34	215.12	187.95
Depreciation and Amortisation expense	35	471.80	429.35
Total		23,371.94	21,138.44
Profit / (Loss) before Exceptional items and tax		2,372.84	2,789.26
Exceptional items	37	-	22.40
Profit / (Loss) before tax (PBT)		2,372.84	2,811.66
Tax expense			
Current tax		(438.90)	(716.10)
Deferred tax	28	(109.58)	(38.74)
Income Tax Excess/(Short) Provision of previous year		-	-
Total Tax Expense		(548.48)	(754.84)
Profit after Tax (PAT)		1,824.36	2,056.81
Other comprehensive income			
A Items that will not be reclassified to profit or loss account			
(i) Re-measurement of defined benefit liability/asset	41 B(e)	(12.95)	4.40
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.26	(1.11)
B Items that will be reclassified to Profit or loss account		-	-
		(9.69)	3.29
Other comprehensive income for the year, net of tax (A+B)		(9.69)	3.29
Total comprehensive income for the year		1,814.67	2,060.10
Earnings per Equity Share (Face Value of ₹ 2/- each)			
Basic in ₹	38	1.99	2.24
Diluted in ₹		1.99	2.24
Significant accounting policies and Key accounting estimates and judgments	1-4		
See Accompanying Notes to Standalone Financial Statements	5-62		

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
(Partner)
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(Pan : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

CONSOLIDATED STATEMENT OF AUDITED CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before taxation	2,372.84	2,811.66
Adjustments for:		
Exceptional Items	-	(22.40)
Foreign Currency Exchange Rate Fluctuation (net)	(86.87)	(70.88)
Depreciation and Amortisation expenses	471.80	429.35
Interest on secured borrowing	8.78	45.83
Interest expenses on financial liabilities measured at amortised cost	17.02	27.35
Interest on Fixed deposits with banks	(125.90)	(163.06)
Rodtep Subsidy	(21.02)	-
Duty Drawback Refund	(28.88)	(23.93)
Gain on sale of current investments designated as FVTPL	(67.54)	(64.09)
Fair value gain arising from financial instruments designated as FVTPL	(44.39)	-
Sundry Balances written back	(4.56)	(1.80)
Loss on Sale of Fixed Asset	0.26	(0.05)
Provision for expected credit (reversal)/loss	(55.69)	102.86
Operating profit before working capital changes	2,435.81	3,070.84
CHANGES IN WORKING CAPITAL		
(Decrease)/ increase in trade payables	739.84	(385.64)
Decrease/ (increase) in inventories	(880.51)	(282.94)
Decrease/ (increase) in trade receivables	(427.23)	10.00
(Decrease)/ increase in other current financial liabilities	160.46	137.63
(Decrease)/ increase in other current liabilities	45.78	(12.19)
(Decrease)/ increase in provisions	182.43	89.02
Decrease/ (increase) in loans	4.62	8.30
Decrease/ (increase) in other current and non current non financial assets	(579.21)	218.98
Cash generated used in operations	1,681.99	2,854.00
Taxes Paid (Net)	(688.04)	(712.81)
Net cash flows generated in operating activities	993.95	2,141.19
Exceptional Items	-	22.40
Net Cash Flows from Operating Activities after Exceptional Items (A)	993.95	2,163.59
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment and intangible assets	(1,402.73)	(1,645.36)
Proceeds from sale of property, plant & equipment	25.69	0.13
Investments in Bank and fixed deposits (more than three months)	873.56	1,723.61
Purchase of current investments	(12,376.64)	(10,667.39)
Sale of current investments	11,843.61	8,911.59
Investments in Subsidiary	-	-
Interest received	125.90	163.06
Net cash flow from investing activities (B)	(910.61)	(1,514.36)

CONSOLIDATED STATEMENT OF AUDITED CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Lease Liabilities	(79.46)	(153.60)
Repayment of non-current borrowings	(37.28)	(376.63)
Movement in short-term borrowings from banks (net)	553.62	(33.48)
Dividend Paid	(275.62)	-
Finance Cost	(8.78)	(45.83)
Net Cash Flows from Financing Activities (C)	152.48	(609.54)
Net increase in cash and cash equivalents (A+B+C)	235.82	39.68
Cash and cash equivalents at the beginning of the year	77.91	38.23
Cash and cash equivalents at the end of the year	313.73	77.91
CASH AND CASH EQUIVALENTS COMPRISE		
On Current Accounts	25.84	60.12
Fixed deposits with maturity of less than 3-months	267.21	-
Cash In Hand Foreign Currency	4.50	17.79
Exchange difference on transactions of foreign currency cash and cash equivalents	0.00	
Cash on hand	16.18	
Total cash and cash equivalents at end of the year (Note 13)	313.73	77.91

Notes:

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS 7) - Statement of Cash Flows
- The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
 (Partner)
 Membership No: 407543

Place: Bhilwara
 Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
 (Chairman)
 DIN: 02650184

MIHIR SURESH SHAH
 (Chief Financial Officer)
 (Pan : AZBPS0681B)

Place: Mumbai
 Date: 13th May, 2025

KARAN HARESH MOTWANI
 (Managing Director)
 DIN: 02650089

JYOTI NIKUNJ CHAWDA
 (Company Secretary)
 (Mem No.: 40074)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST MARCH, 2025

A. EQUITY SHARE CAPITAL

Equity shares of ₹ 2 each issued, subscribed and fully paid

(₹ in Lakhs unless otherwise stated)		
Particulars	No. of Shares	Amount
As at 1 st April, 2023	1,83,74,947	1,837.49
Equity Share subdivided into 5 (Five) Equity shares of face value of ₹ 2/- Per Share	9,18,74,735	-
As at 31st March, 2024	9,18,74,735	1,837.49
Issue of Share Capital		-
As at 31st March, 2025	9,18,74,735	1,837.49

B. OTHER EQUITY (ALSO REFER NOTE NO. 18)

₹ in Lakhs unless otherwise stated)

Particulars	Attributable to Shareholders				Total Other Equity
	Reserves and Surplus				
	Securities Premium	General Reserve	Employee Stock Option Reserve	Retained Earnings	
Balance as at 1 st April, 2023	11,286.45	-	-	1,704.88	12,991.33
Profit for the year	-	-	-	2,056.81	2,056.81
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	3.29	3.29
Premium on Issue of Shares	-	-	-	-	-
Transaction Costs	-	-	-	-	-
Balance as at 31 st March, 2024	11,286.45	-	-	3,764.98	15,051.43
Balance as at 1 st April, 2024	11,286.45	-	-	3,764.98	15,051.43
Profit for the year	-	-	-	1,824.36	1,824.36
Utilised for payment of dividend				(275.63)	(275.63)
Remeasurement of the net defined benefit liability/ asset, net of tax effect	-	-	-	(9.69)	(9.69)
Balance as at 31 st March, 2025	11,286.45	-	-	5,304.02	16,590.47

Significant accounting policies and Key accounting estimates and judgments 1-4

See Accompanying Notes to Standalone Financial Statements 5-62

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
(Partner)
Membership No: 407543

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For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
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Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025

1 GROUP OVERVIEW

HP Adhesives Limited ("the Company" or "the Parent") is a public limited Company which is domiciled and incorporated in India under the provisions of the Companies Act, 2013 (CIN L24304MH2019PLC325019) formed by conversion of Partnership firm in accordance with provisions of Part I of Group XXI of Companies Act, 2013 subsequently converted to Public Limited Group on July 01, 2021 with registered office situated at G-11, Unique House, Chakala Cross Road, Andheri East, Mumbai (MH) 400 099. The Company is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India since December 27, 2021.

The Parent and its subsidiary (together referred to as "the Group") is engaged in Manufacturing and distribution and trading of adhesives and sealants along with other ancillary products.

The Annual Consolidated financial statements were authorised for issue in accordance with the resolution passed by Board of Directors on May 13, 2025.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these Consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Significant accounting policies adopted by the Group are as under:

2.1 Basis of Preparation

These Consolidated Ind AS financial statements ("Ind AS financial statements") have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, to the extent applicable.

Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Consolidated Balance Sheet as at 31st March, 2025, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter

referred to as "Consolidated Financial Statements" or "financial statements").

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

As the year end figures are taken from the source and rounded to the nearest digits, the figures reported for the previous quarters might not always add up to the year end figures reported in this statement.

(a) Functional and presentation currency

Items included in these Consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The Consolidated Ind AS financial statements are presented in Indian rupee (₹), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Lakhs, up to two places of decimal, unless otherwise indicated.

(b) Basis of measurement

The separate Consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for:

- Financial instruments – measured at fair value;
- Plan assets under defined benefit plans – measured at fair value;
- Asset & Liabilities recognised under Ind AS 116

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

(c) **Classification into current and non-current:**

The Group presents assets and liabilities in the Consolidated balance sheet based on current / non-current classification.

An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- It is held primarily for the purpose of being traded;
- It is expected to be realised within 12 months after the reporting date; or
- It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.
- All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of being traded
- It is due to be settled within 12 months after the reporting date; or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current only

2.2 Property, plant and equipment

Property, plant and equipment, are stated at cost of acquisition or construction less accumulated depreciation and impairment losses, if any. Cost of property, plant and equipment comprises its purchase price net of any discounts and rebates, any import duties and other taxes (other than those subsequently recovered from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses, decommissioning costs, if any, and interest on borrowings attributable to acquisition of qualifying asset up to the date the asset is ready for its intended use.

Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Property, plant and equipment's residual values and useful lives are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

Depreciation methods, estimated useful lives

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes,

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

manufacturers warranties and maintenance support, etc. Based on management's evaluation, the Group uses straight-line method and has used following useful lives to provide depreciation of different class of its property, plant and equipment:

Assets Category -	Estimated Useful Life
Building	30 years
Plant & Machinery	15 years
Furniture & Fixtures	10 years
Vehicles	10 years
Computer & Software	3-6 years
Office Equipments	5 years

Based on the management's assessment of useful life, certain items of property, plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property, plant and equipment is provided on pro-rata basis from the date of put to use. Depreciation on sale/deduction, from property, plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'. The cost and related accumulated depreciation are eliminated from the Consolidated financial statements upon sale or retirement of the asset.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

Residual value of Property, Plant & Equipment is considered as 5% of the cost.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under other non - current assets and the cost of assets not ready to use before such date are disclosed under 'Capital work-in-progress'.

Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over the irrespective individual estimated useful lives on a straight-line basis, from the date that

they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortisation methods and useful lives are reviewed periodically including at each financial year end.

The estimated useful lives of intangible assets are as follows:

Intangible assets	Estimated Useful Life
Trade Mark	5 years
Software	5 years

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.3 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

l) Right to use of assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Statement of Profit and Loss.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in financial liabilities.

iii) Short term lease and leases of low value assets

The Group applies the short-term lease recognition exemption to its short-term leases contracts

including lease of residential premises and offices (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

iv) Single discount rate

The Group has applied the available practical expedient with respect to single discount rate wherein single discount rate is used for portfolio of leases with reasonably similar characteristics.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2.4 Capital work in progress

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

During the year management has identified proportionate capitalisation of Building CWIP based on report issued by independent Civil Engineer considering the level of completion which justifies the recognition criteria as per Ind AS 16 - Property, Plant and Equipment, specifically in relation to said operating area of production which is ready for intended use and has started generating revenue, while the balance floors of building is under final stage of completion. Value of capitalisation is based on the above report as per actual expenditure incurred towards the building.

2.5 Impairment

At the end of each reporting year, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

2.6 Inventories

Integration of Inventory and Financial module is carried out by management in accordance with Ind AS 2 standard and same is applied consistently.

Raw materials, packing materials, Promotional items and Trading Goods :

Valued at lower of cost and net realisable value (NRV). However, these items are considered to be realisable at cost, if the finished products, in which they will be used, are expected to be sold at or above cost. Cost is determined on first-in-first-out (FIFO) basis. The cost of inventory comprises its purchase price, including non-refundable purchase taxes, and any directly attributable costs related to the inventories.

Consumable Stores & Spares are expensed off at the time of Purchase itself.

Work-in- progress (WIP) & Finished goods

Valued at lower of cost and NRV. Cost of Finished goods and WIP includes cost of raw materials, direct labour, other direct costs and related production overheads up to the relevant stage of completion. Net realisable value

is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are assigned to the individual item basis in a group of inventories on Weighted Average Cost basis. Comparison of cost and net realisable value is made on item-by item basis. Costs of purchased inventory are determined after deducting rebates and discounts.

2.7 Revenue recognition

The Group recognises revenue from sale of goods, based on the terms of contract and as per the business practice; the Group determines transaction price considering the amount it expects to be entitled in exchange of transferring promised goods to the customer. Revenue is recognised when it is realised or is realisable and has been earned after the deduction of variable components such as discounts, rebates, incentives, promotional couponing and schemes. The Group estimates the amount of variable components based on historical, current and forecast information available and either expected value method or most likely method, as appropriate ; Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Sale of Goods :

Revenue from sale of products is recognised when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract.

Revenue from sales is measured net of taxes/duties, discounts, incentives, rebates etc. The Group's presence across different marketing regions within the country and the competitive business makes the assessment of various type of turn over discounts, discounts, incentives and rebates as complex and judgemental.

Advance from customers is recognised under other Current liabilities and released to revenue on satisfaction of performance obligation.

Other Income :

Other income is comprised primarily of interest income - Interest income is recognised using the effective interest rate method, other Export benefits - recognised in the statement of profit and loss when the right to receive credit as per terms of the scheme is established

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

in respect of sale and when there is no significant uncertainty regarding the ultimate collection, dividend if any, Gain/loss on short term investments, expected credit gain/loss and Exchange gain/loss on forward and on translation of foreign currency assets and liabilities. Dividend income is recognised when the right to receive payment is established.

2.8 Foreign exchange translation

The functional currency of the Group is Indian Rupees which represents the currency of the primary economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are generally recognised in profit or loss. Monetary balances arising from the transactions denominated in foreign currency are translated to functional currency using the exchange rate as on the reporting date. Any gains or loss on such translation, are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.9 Taxes

Income tax comprises current and deferred tax. It is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. Section 115 BAA of the Income Tax Act 1961, introduced by Taxation Laws (Amendment) Ordinance, 2019 gives a one-time irreversible option to Domestic Companies for payment of corporate tax at reduced rates. The Group has opted to recognise tax expense at the new income tax rate as applicable to the Group.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with relevant tax regulations. Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current tax is recognised in Statement of Profit and Loss except to the extent it relates to items recognised outside profit or loss in which case it is recognised outside profit or loss (either in other comprehensive income ('OCI') or in equity). Current tax items are recognised in relation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes current tax payable where appropriate.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Provision for Current Tax for the year comprises of:

- a) estimated tax expense which has accrued on the profit for the year.

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.10 Borrowing costs

Borrowing costs, if any, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalised as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are

determined by applying a capitalisation rate to the expenditures on that asset.

Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the finance cost.

2.11 Provisions, contingent assets and contingent liabilities

(a) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risk and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(b) Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

These are reviewed at each financial reporting date and adjusted to reflect the current best estimates.

(c) Contingent assets

Contingent assets are not recognised though are disclosed, where an inflow of economic benefits is probable.

2.12 Employee Benefits

(a) Short-term obligations

Employee benefits such as salaries and other benefits along with any other non-monetary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

benefits falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and undiscounted amount of such benefits are expensed in the Statement of Profit and Loss in the period in which the employee renders the related services.

(b) Other long-term employee benefit obligations : Post Employment Benefits

(i) Defined contribution plan

Provident Fund: The Group's contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, are charged to the Statement of Profit and Loss in the period of accrual. The Group has no obligation, other than the contribution payable to the provident fund.

(ii) Defined benefit plans

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees of HP Adhesives Limited. The Gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees' salary and the tenure of employment with the Group. The Group contributes gratuity liabilities directly to HDFC Trust Group through HP Adhesives Limited Employees Group Gratuity Trust. Trustees administer contributions made to the Trusts and contributions are invested in a scheme with the HDFC Group as permitted by Indian Law.

The calculation is performed by a qualified Actuary using the projected unit credit method. When the calculation results in a liability to the Group, the present value of liability is recognised as provision for employee benefit. Any actuarial gains or losses in respect of gratuity are recognised in OCI in the period in which they arise.

The Group's net obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted

average maturity profile of the defined benefit obligations at each reporting date.

Re-measurement, comprising actuarial gains and losses, is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to Statement of Profit and Loss.

The Group recognises the net obligation of a defined plan in its Balance Sheet. Defined benefit costs comprising current service cost, past service cost, interest cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

(iii) Other employee benefits

Compensated absences, if any, which accrue to employees and which can be carried to future periods but are expected to be encashed/ availed within twelve months immediately following the year end are reported as expenses during the year in which employees perform the services that the benefit covers and the liabilities are reported at the undiscounted amount of the benefits. Where the availment or encashment is otherwise not expected to wholly occur within the next twelve months, the liability on account of the benefit is actuarially determined using the projected unit credit method.

2.13 Financial Instruments

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value, plus in the case of Financial assets not recorded at fair value through Profit or Loss (FVTPL), transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss. However, those financial assets & liabilities that do not contain significant financial component are measured at transaction price.

Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In case of financial asset classified and measured at amortised cost, any interest income, foreign exchange gains/losses and impairment are recognised in the Statement of Profit and Loss.

Fair Value through OCI

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are

solely payments of principal and interest on the principal amount outstanding.

Where the Group has elected to present the fair value gain on equity instruments in other comprehensive income, there is no subsequent classification of fair value gain or losses to profit and loss account. Dividend from such instruments is recognised in profit and loss account as other income where right to receive is established.

Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. For financial assets at fair value through profit or loss, net gain or losses, including any interest or dividend income are recognised in the Statement of Profit and Loss.

Equity Investments in subsidiaries

Equity investments in Subsidiaries are carried at Cost, in accordance with option available in Ind AS 27 "Separate Financial Statements". Investment carried at cost are subject to impairment test as per Ind AS 36 when indication of potential impairment exists.

Classification and Subsequent Measurement: Financial Liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Other Financial Liabilities

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method. Interest expense (based on effective interest method), foreign exchange gains and losses and any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Group applies Expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, no impairment is recognised. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, the credit quality of the instrument improves then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortised cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Group does not reduce impairment allowance from the gross carrying amount. Group measures the loss allowance at an amount equal to lifetime expected credit losses for Trade receivables (i.e. 'simplified approach').

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Group recognises

a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

(iv) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of the asset or if, the Group has neither transferred nor retained substantially all risk and reward of the asset, but has transferred control of the asset to another party.

On derecognition of a financial asset, other than investments classified as FVOCI, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of equity investments classified as FVOCI, accumulated gains or loss recognised in OCI is transferred to retained earnings.

(b) Financial liabilities and equity instruments:

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

(c) Reclassification of financial assets and liabilities

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

(d) Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.14 Cash & cash equivalents

Cash and cash equivalent in the Balance Sheet comprises Cash at Banks, Cash on Hand and Short-Term Deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of unrestricted cash and short-term deposits, as defined above as they are considered an integral part of the Group's cash management.

2.15 Segment reporting

The business of the Group falls within a single line of business i.e. business of Adhesives & Solvent products. All other activities of the Group revolve around its main business. Hence no separate reportable primary segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the management. Management assesses the financial performance and position of the Group and makes strategic decisions.

2.16 Statement of cash flows

Statement of cash flows is made using the indirect method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferral

accruals of past or future cash receipts or payments and item of income or expense associated with investing or financing of cash flows. The cash flows from operating, financing and investing activities of the Group are segregated.

2.17 Corporate Social Responsibility ("CSR") expenditure

CSR expenditure incurred by the Group is charged to the Statement of the Profit and Loss.

2.18 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options and buyback of ordinary shares, if any are recognised as a deduction from equity, net of any tax effects.

Share issue expense

The share issue expenses incurred by the Group on account of new shares issued if any are netted off from securities premium account.

2.19 Earnings per share

Basic earnings per share

Basic earnings per share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the year, if any, is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share

Diluted earnings per share is computed by dividing the profit after tax after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares including the treasury shares held by the Group to satisfy the exercise of the share options by the employees.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods for any share split and bonus share issues including for changes effected prior to the approval of the Consolidated financial statements by the Board of Directors.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

2.20 Measurement of EBITDA

During the year under review Group has opted NOT to present earnings before interest (finance cost), tax, depreciation and Amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss for the period, same has been applied for presentation of previous year's figures.

2.21 Dividend

The Group recognises a liability to pay dividend to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The estimates used in the preparation of the Consolidated financial statements of each year presented are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events), that the Group believes to be reasonable under the existing circumstances. The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date. Although the Group regularly assesses these estimates, actual results could differ materially from these estimates - even if the assumptions underlying such estimates were reasonable when made, if these results differ from historical experience or other assumptions do not turn out to be substantially accurate. The changes in estimates are recognised in the Consolidated financial statements in the period in which they become known.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Actual results could differ from these estimates.

3.1 Significant Judgments

Impairment of Trade Receivables

As per Ind AS 109 impairment allowance has been determined based on expected credit loss method. Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate

allowances for estimated irrecoverable amount are based on ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems not be collectible.

Impairment of other financial assets

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation., based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Contingencies

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an out flow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the nature of business differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes current tax payable, based on reasonable estimates. The amount of such current tax payable is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

Recoverability of deferred taxes

In assessing the recoverability of deferred tax assets, management considers whether it is probable that taxable profit will be available against which the losses can be utilised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the year in which the temporary differences become deductible.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow ('DCF') model.

3.2 Significant estimates

(a) Defined benefit plans

The costs of post-retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(b) Useful lives of property, plant and equipment

As described in the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period. Group has determined useful life assets based on expert opinion. Useful lives of intangible assets is determined on the basis of estimated benefits to be derived from use of such intangible assets. These reassessments may result in change in the depreciation /amortisation expense in future periods.

(c) Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its

incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

(d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(e) Effective interest rate

For the requirement of Ind AS 109 and Ind AS 116, Group has used incremental borrowing rate as the rate for discounting and amortising. This incremental borrowing rate reflects the rate of interest that the Group would have to pay to borrow over a similar term, with a similar security, the funds necessary to obtain an asset of a similar nature and value in a similar economic environment. Determination of the incremental borrowing rate requires estimation.

4 NEW AND AMENDED STANDARDS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2024 wherever applicable. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

(i) Ind AS 117 Insurance Contracts

The Ministry of corporate Affairs (MCA) notified the Ind AS 117. Insurance Contracts, vide notification dated 12 August 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1 April 2024.-The application of Ind AS 117 had no impact on the Group's Consolidated financial statements as the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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Group has not entered any contracts in the nature of insurance contracts covered under ind AS 117.

(ii) Ind AS 116 Sale & Lease Back Transaction Amendments

The Ministry of corporate Affairs (MCA) notified amendment to the Ind AS 116 specifically on Sale & Lease back Transactions vide notification dated

9th September, 2024, under the Companies (Indian Accounting Standards) Amendment Rules, 2024, which is effective from annual reporting periods beginning on or after 1st April, 2024.-As there is no such transaction, hence the said amendment has no impact on the Group's Consolidated financial statements.

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
(Partner)
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(Pan : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Changes in Gross Carrying Value				Changes in Depreciation				Net block	
	Gross Carrying Value As at 1 st April, 2024	Additions/ Adjustments	Deductions/ Disposals	Assets classified as held for sale	Gross Carrying Value As at 31 st March, 2025	Accumulated Amortisation as at 1 st April, 2024	For the year Adjustments/ Disposals	Assets classified as held for sale	Accumulated Amortisation as at 31 st March, 2025	Carrying Value As at 31 st March, 2025
Owned Assets										
Building										
Office Premises	739.12	-	-	-	739.12	79.39	23.41	-	102.79	636.33
Factory Building	2,092.46	1,367.15	-	-	3,459.61	146.12	85.25	-	231.36	3,228.25
Plant and equipment	2,813.33	1,042.64	1.60	-	3,854.37	788.80	177.15	1.43	964.52	2,889.85
Furniture and fixture	198.00	25.71	-	-	223.72	63.46	10.11	-	73.56	150.16
Vehicles	353.40	34.03	-	-	387.44	204.87	35.03	-	239.89	147.54
Office equipment	35.64	10.79	-	-	46.43	27.07	4.16	-	31.23	15.20
Computers	137.90	21.16	-	-	159.06	108.22	19.92	-	128.14	30.92
Total	6,369.86	2,501.49	1.60	-	8,869.74	1,417.92	355.02	1.43	1,771.50	7,098.24
Reconciliation effect on gross and net carrying of amounts PPE, due to acquisitions & revaluations- Nil										

6 CAPITAL WORK IN PROGRESS

Particulars	Net block			
	As at 1 st April, 2024	Additions/ Adjustments	Deductions/ Disposals*	Assets classified as held for sale
Tangibles				
Building WIP *	899.42	616.97	1,479.15	-
Machinery WIP #	721.28	455.25	777.19	-
Total	1,620.70	1,072.23	2,256.33	-

*Deduction from Building CWIP represents capitalisation of proportionate completed part of Building on which commercial production has started in last year. Amount is based on report issued by Independent Civil Engineer as per actual expenditure incurred towards building.
Machinery WIP represents machines/ equipments received pending for installation.

Ageing Schedule of CWIP :

CWIP	Amount in CWIP for a period ended 31 st March, 2025				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
A. Project in Progress					
Proportionate Factory building under construction	37.25	-	-	-	37.25
Installation of New Machineries under process	170.39	228.96	-	-	399.35
B. Projects temporarily suspended					
	Nil	Nil	Nil	Nil	Nil

There is time overrun of Building construction as per Original plan while there is no cost overrun as compared to its original plan during the financial year 2024-25.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

7A RIGHT OF USE ASSETS

The changes in the carrying value of ROU assets for the year ended 31st March, 2025 are as follows:

(₹ in Lakhs unless otherwise stated)			
Particulars	Category of ROU asset		Total
	Land	Building	
Balance as at 31 st March, 2024	302.81	496.24	799.04
Additions*	-	57.68	57.68
Disposals/Adjustments	-	-	-
Balance as at 31 st March, 2025	302.81	553.92	856.72
Accumulated Depreciation as at 31 st March, 2024	89.06	485.36	574.42
Additions	96.32	13.57	109.89
Disposals/Adjustments	-	-	-
Accumulated Depreciation as at 31 st March, 2025	185.38	498.93	684.31
Carrying value as at 31 st March, 2025	117.43	54.99	172.42
Carrying value as at 31 st March, 2024	213.75	10.88	224.62

* Net of adjustments on account of modifications and lease incentives.

7B OTHER INTANGIBLE ASSETS

The changes in the carrying value of acquired intangible assets for the year ended 31st March, 2025 are as follows:

(₹ in Lakhs unless otherwise stated)			
Particulars	Software	Trade Name Related	Total
Gross carrying value as at 31 st March, 2024	6.60	36.74	43.34
Additions	-	2.38	2.38
Disposals/Adjustments	(1.64)	-	(1.64)
Gross carrying value as at 31 st March, 2025	4.96	39.12	44.08
Accumulated Depreciation as at 31 st March, 2024	1.86	22.01	23.87
Additions	0.94	5.96	6.90
Disposals/Adjustments	(1.41)	-	(1.41)
Accumulated Depreciation as at 31 st March, 2025	1.39	27.96	29.36
Carrying value as at 31 st March, 2025	3.56	11.16	14.72
Carrying value as at 31 st March, 2024	4.74	14.73	19.47

8 OTHER FINANCIAL ASSETS (NON CURRENT)

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
In Fixed Deposit accounts with original maturity above 12 months (IPO Proceeds)	285.96	486.83
Total	285.96	486.83

9 OTHER NON-CURRENT ASSETS

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Security Deposits	46.43	208.88
Demand paid under Protest	-	-
Total	46.43	208.88

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

10 INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Raw materials and Components	2,465.43	2,048.55
Work-in-progress	198.29	419.71
Finished Goods	2,985.77	2,300.73
Total	5,649.49	4,768.99

11 INVESTMENT

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current Investment*		
Investments measured at Fair Value Through Profit or Loss (FVTPL)		
In Mutual Fund - Quoted	442.82	1,819.90
In Government Securities - Quoted fully paid up	523.04	-
In Debentures or Bonds - Quoted, fully paid up	1,498.97	-
Total	2,464.84	1,819.90

*Considered at Market Value as on 31st March, 2025

Aggregate amount of Quoted Investments	2,464.84	1,819.90
Market Value of Quoted Investments	2,464.84	1,819.90

12 TRADE RECEIVABLES

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current		
Secured, considered good	-	-
Unsecured		
Unsecured, considered good	4,174.39	3,648.02
Unsecured, considered doubtful	524.02	626.13
Less : Expected credit loss allowance	(524.02)	(626.13)
	4,174.39	3,648.02
Credit Impaired	48.30	0.23
Less: Expected Credit Loss allowance for doubtful Trade Receivable	(48.30)	(0.23)
Total	4,174.39	3,648.02

Notes:

- Trade receivables has been taken as certified by the management of the Company.
- Provisioning for expected credit loss has been done as per the guidance of Ind AS 109.
- For details of Trade Receivables with related party, refer note no. 43 Related Party disclosure.
- For Ageing Schedule of Trade Receivables refer note 49.
- Trade receivables are generally non interest bearing.
- Movement in Expected Credit Loss Allowance of Trade Receivable is shown below

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning of the year	626.13	523.50
Less: Credit Impaired	(48.30)	(0.23)
Amount added/ Reversed during the year	(53.81)	102.86
Effect of Foreign Exchange	-	-
	524.02	626.13

13 CASH AND BANK BALANCES

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Cash and Cash equivalents		
Balances with banks		
On Current Accounts	25.84	60.12
Deposits with original maturity of less than 3 months (including Short Term Fixed Deposits (from IPO Proceeds))	267.21	-
Cash In Hand Foreign Currency	4.50	
Cash on hand	16.18	17.79
Total Cash and Cash Equivalents	313.73	77.91
Bank Balances other than Cash and Cash Equivalents		
Other Bank balances		
Deposits with original maturity of more than three months but remaining maturity of less than twelve months-Fixed Deposits (from IPO Proceeds)	100.00	829.90
Earmarked balances with Banks for unpaid dividend	2.08	-
Balances with banks held as margin money for security against the guarantees	42.25	
Balance in Bank- With Monitoring Agency (IPO Proceeds)	14.97	2.08
Deposits with original maturity of more than twelve months- Fixed Deposits (from IPO Proceeds)	285.96	486.83
Less: Amount disclosed under other Financial assets	(285.96)	(486.83)
Total bank balances other than cash and cash equivalents	159.29	831.98
Total	473.02	909.89

Deposits are with scheduled commercial banks and earn interest at fixed rates and are callable.

14 LOANS (CURRENT FINANCIAL ASSETS)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
# Advance to Employees & Others	101.69	106.31
Total	101.69	106.31

- Includes non business advances of ₹ 40.50 Lakh related to pre-conversion period of company from partnership Firm M/s HP International.

No Loans are due from directors or other officers of the Company either severally or jointly with any other person.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

15 CURRENT TAX ASSETS (NET)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Advance income tax (Net)	112.92	-
Total	112.92	-

16 OTHER CURRENT ASSETS

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(a) Capital Advances	244.79	231.96
(b) In Fixed Deposit Accounts with maturity < 12 months	1,017.17	298.16
(c) Advances other than Capital Advances		
Security Deposits	52.42	-
Prepaid Expenses	70.44	45.70
Accrued Interest on FD	16.50	13.97
Withholding Taxes & Others*	56.32	5.92
Advances to Suppliers	305.53	361.09
Other Receivables	13.65	28.45
Total	1,776.82	985.24

*Withholding taxes and others primarily consist of GST Input tax credits recoverable from Government.

17 EQUITY SHARE CAPITAL

Ordinary Shares

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buy back are recognised as a deduction from equity, net of any tax effects.

Description of reserves

Retained earnings

Retained Earnings represents the cumulative profits of the Company and effects of remeasurement of defined benefit obligations. This Reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium

Security Premium Account represents premium received on issue of shares through Rights issue and IPO . This reserve can be utilised in accordance with the provisions of the Companies Act, 2013.

(₹ in Lakhs unless otherwise stated)

(a) Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Authorised Share Capital		
10,00,00,000 Equity Shares of ₹ 2/-each (P.Y. 2,00,00,000 Equity Shares of ₹ 10/-each)	2,000.00	2,000.00
	2,000.00	2,000.00
Equity shares		
Issued, Subscribed and fully paid up		
9,18,74,735 Equity Shares of ₹ 2/- each fully paid up (P.Y. 1,83,74,947 Equity shares of ₹ 10/- each fully paid up)	1,837.49	1,837.49
Total	1,837.49	1,837.49

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

At the Annual General Meeting of the Company held on 29th September, 2023, for the sub-division of equity shares of the Company from existing face value of 10 each into face value of 2 each and from existing no. of shares 1,83,74,947 into 9,18,74,735 (i.e. split of 1 equity share of ₹ 10 each into 5 equity shares of ₹ 2 each), Accordingly, face value of the equity shares of the Company now stand at ₹ 2 each w.e.f. the record date - 9th November, 2023.

(b) Reconciliation of equity shares outstanding at the beginning and at the end of the year

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of shares	Amount	Number of shares	Amount
Opening balance (face value ₹ 10/- each)	9,18,74,735	1,837.49	1,83,74,947	1,837.49
Right Issue of shares	-	-	-	-
Equity Share subdivided into 5 (Five) Equity shares of face value of ₹ 2/- Per Share	-	-	9,18,74,735	-
Bought back during the year	-	-	-	-
Closing balance (face value ₹ 2/- each)	9,18,74,735	1,837.49	9,18,74,735	1,837.49

(c) Utilisation of IPO Proceeds (Net of IPO Expenses) as per Prospectus are as follows:

(₹ in Lakhs unless otherwise stated)

	Planned as per Prospectus	Utilisation upto 31 st March, 2025	Un-utilised as of 31 st March, 2025 (*)
Funding working capital requirements of the Company	5,400.00	5,400.00	-
Funding Capital expenditure(CAPEX)	2,550.86	2,313.56	237.30
General corporate Purposes (As revised upon finalisation of IPO Expenses)	1,718.26	1,718.26	-
Total	9,669.12	9,431.82	237.30

(*) Unutilised IPO proceeds as of 31st March, 2025 are kept in fixed deposits with banks and shown under Other bank balances (Refer note 13)

Advances made to Capex Vendors of out of IPO proceeds for supply of Machinery/equipment amounts to ₹ 31.35 Lakhs (Inc. GST) as on 31st March, 2025 for which deliveries/installation is pending as on 31st March, 2025, same are included Capital Advance note no.16

(d) Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 2 each. The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year. Each shareholder is entitled to vote in proportion to his share of paid up equity share capital of the Company, except in case of voting by show of hands where each shareholder present in person shall have one vote only. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion of the number of shares held by the shareholders.

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 st March, 2025		As at 31 st March, 2024	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Name of the shareholder				
Equity shares of ₹ 2 each fully paid (P.Y. ₹ 10/- each)				
Anjana Haresh Motwani	2,87,00,675	31.24%	2,87,00,675	31.24%
Karan Haresh Motwani	2,68,50,000	29.22%	2,68,50,000	29.22%
Nidhi Haresh Motwani	1,00,00,000	10.88%	1,00,00,000	10.88%
	6,55,50,675	71.35%	6,55,50,675	71.35%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

As per Companies Act, 2013 the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shareholding of promoters/Promoter Group

The details of the shares held by promoters as at 31st March, 2025 are as follows:

Shares held by promoters at the end of the year	Class of Shares	As at 31 st March, 2025		As at 31 st March, 2024		% Change during the year
		No. of Shares	% of total shares at beginning	No. of Shares	% of total shares at end	
1. Anjana Haresh Motwani	Equity	2,87,00,675	31.24%	2,87,00,675	31.24%	0.00%
2. Karan Haresh Motwani	Equity Shares	2,68,50,000	29.22%	2,68,50,000	29.22%	0.00%
3. Nidhi Haresh Motwani	Equity Shares	1,00,00,000	10.88%	1,00,00,000	10.88%	0.00%

18 OTHER EQUITY

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Retained Earnings	5,304.02	3,764.98
Securities Premium	11,286.45	11,286.45
Total	16,590.47	15,051.43

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(A) Securities Premium		
Opening balance	11,286.45	11,286.45
Add: Premium received on issue of shares	-	-
Closing balance	11,286.45	11,286.45
(B) Retained Earnings		
Opening balance	3,764.98	1,704.88
Add: Adjustment of Ind AS of previous years	-	-
	3,764.98	1,704.88
Add: Total Comprehensive Income for the year	1,814.67	2,060.10
Less: Premium utilised for payment of dividend	(275.63)	-
Closing balance	5,304.02	3,764.98
Total	16,590.47	15,051.43

19 LEASE LIABILITIES (NON-CURRENT)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Lease Liability	68.24	147.23
Total	68.24	147.23

(Movement of Lease Liabilities, refer Note No. 21(a))

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

20 BORROWINGS (NON CURRENT)

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Borrowings measured at Amortised Cost		
Secured (Refer Note "Sanction Terms")		
(A) VEHICLE LOANS		
(a) Vehicle Loan from Daimler Financial Services India Pvt. Ltd. (Repayable on 60 EMI of ₹1,08,902/- ending March'26)	-	12.59
(b) Vehicle Loan ICICI Bank (Repayable on 36 EMI of ₹37,766/- ending October'25)	-	2.58
Total	-	15.16

21 LEASE LIABILITIES (CURRENT)

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Lease Liability	133.33	116.77
Total	133.33	116.77

21(a) The Movement of lease liabilities during the years ended March 31, 2025 and March 31, 2024 is as follows:

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Balance at the beginning	264.00	390.25
Additions	55.32	-
Finance cost accrued during the year	-	-
Deletions	-	-
Payment of Lease Liabilities	(117.76)	(126.25)
Total	201.57	264.00

22 BORROWINGS (CURRENT)

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Loan repayable on demand		
Secured (Refer Note "Sanction Terms")		
Cash credit	-	-
Bank Overdraft	553.62	-
Working Capital Term Loan	-	-
Current maturity of long term loans	15.16	37.28
Total	568.78	37.28

Sanction Terms:-

Short term Secured Loans & Working Capital Facilities:-

ICICI Bank

Against Hypothecation of company's entire current Assets.

Collateral Charge on corporate office of the Company at C-501, Business Square, Chakala, Andheri(East), Mumbai.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

IndusInd Bank

Against Hypothecation of company's entire current Assets.

Personal Guarantee of Directors - Karan Motwani & Anjana Motwani

Collateral Charge on Industrial Land & Building owned by the Directors Mr. Karan Motwani & Mrs. Anjana Motwani.

23 TRADE PAYABLES

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Total outstanding dues of micro and small enterprises*	578.97	393.75
Total outstanding dues of creditors other than micro and small enterprises	1,720.62	1,209.44
Total	2,299.60	1,603.19

*Refer Note No.40 - The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the Company.

Refer Note No 50 for Trade Payables ageing schedule

24 OTHER FINANCIAL LIABILITIES - CURRENT

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(a) Others		
Security deposits	1.00	1.00
Payable to Employees	323.16	260.93
Payable towards services received	6.98	7.89
Payable towards stores, spares and consumables	85.43	104.60
Payable towards expenses	3.47	-
Capital Creditors	234.35	119.50
Total	654.39	493.93

25 OTHER CURRENT LIABILITIES

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Withholding taxes and others	18.26	20.18
Other Statutory Dues	25.06	22.57
Advances received from customers	134.54	95.97
Liability towards Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 (IEPF) not due		
- Unpaid/Unclaimed dividends	2.08	-
Total	179.94	138.71

26 PROVISIONS

(₹ in Lakhs unless otherwise stated)		
Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Non Current		
Provision for Gratuity	79.92	69.04
Total	79.92	69.04

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current		
Provision for Employee benefits	30.00	30.00
Provision for Expenses	266.70	95.15
Total	296.70	125.15

27 CURRENT TAX LIABILITIES (NET)

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Current Tax Payable (Net of Advance tax)	1.85	128.15
Total current tax liabilities	1.85	128.15

28 TAX ASSET (NET) / TAX EXPENSE

(A) Deferred tax expense

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(DTL)/DTA for the year	(112.83)	(37.63)
(DTL)/DTA on OCI for the year	3.26	(1.11)
Net (DTL)/DTA for the year	(109.57)	(38.74)
Balance of Deferred Tax Asset /(Liability) as at 31 st March, 2024	12.75	51.49
Balance of Deferred Tax Asset /(Liability) as at 31st March, 2025	(96.83)	12.75

Movement of Deferred Tax assets and liabilities:

Movement during the period ended 31 st March, 2025	31 st March, 2024	Recognised in Statement of Profit & Loss	Recognised under OCI	31 st March, 2025
Deferred Tax Liability in relation to:				
Property, Plant and Equipments	(169.92)	(87.04)		(256.96)
ROU Assets	(56.53)	13.14		(43.39)
Intangible Assets	0.17	0.38		0.55
Expected Credit Loss	157.58	(25.70)		131.88
Remeasurement (loss)/gain on defined benefit plan	17.37	(0.52)	3.26	20.11
Lease Liability	56.53	(5.80)		50.73
Items allowed on payment basis (Prepaid/PPI)	7.55	1.60		9.15
Fair value of financial instruments		(8.90)		(8.90)
Net deferred Tax Liability	12.75	(112.83)	3.26	(96.83)

Movement of Deferred Tax assets and liabilities:

Movement during the period ended 31 st March, 2024	31 st March, 2023	Recognised in Statement of Profit & Loss	Recognised under OCI	31 st March, 2024
Deferred Tax Liability in relation to:				
Property, Plant and equipments	(108.90)	(61.02)		(169.92)
ROU Assets	(89.08)	32.55		(56.53)
Intangible Assets	(0.10)	0.28		0.17
Expected Credit Loss	120.69	36.89		157.58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Movement during the period ended 31 st March, 2024	31 st March, 2023	Recognised in Statement of Profit & Loss	Recognised under OCI	31 st March, 2024
Remeasurement (loss)/gain on defined benefit plan	23.08	(4.60)	(1.11)	17.37
Lease Liability	98.22	(41.69)		56.53
Items allowed on payment basis (Prepaid/PPI)	7.60	(0.04)		7.55
Net deferred Tax Liability	51.49	(37.63)	(1.11)	12.75

(B) Income tax expense

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
- Current tax taxes	(438.90)	(716.10)
- Adjustments in respect of current income tax of previous year	-	-
- Deferred tax charge / (income)	(109.58)	(38.74)
Income tax expense reported in the statement of profit or loss	(548.48)	(754.84)

(C) Income tax expense charged to OCI

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Net loss/(gain) on remeasurements of defined benefit plans	3.26	(1.11)
Income tax charged to OCI	3.26	(1.11)

(D) Reconciliation of tax Expense and the Accounting profit for the year as under

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Profit before tax	2,372.84	2,811.66
Tax Rate	25.17%	25.17%
Income tax expense at tax rates applicable	597.20	707.64
Tax effects on Depreciation & non deductible expenditure	(48.71)	47.20
Adjustments in respect of current income tax of previous year	-	-
Income tax (expense) / income	548.48	754.84

(E) Unrecognised Deferred tax assets

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Deferred tax asset		
Deferred tax asset on business losses	-	-
Deferred tax asset on unabsorbed depreciation	-	-
Other Unrecognised deferred tax asset	-	-
On unwinding of interest on borrowings from related parties	-	-
On Fair valuation of Security deposits given	-	-
Deferred tax liability		
On Fair valuation of interest free borrowings from related parties	-	-
Total	-	-

29 REVENUE FROM OPERATIONS

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Revenue from Operations (Net)	25,287.16	23,590.60
Total	25,287.16	23,590.60

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**

Reconciliation of revenue recognised with the contracted price is as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Contracted Price	25,897.27	24,143.29
Reduction towards variable consideration components [^]	(610.11)	(552.68)
	25,287.16	23,590.60

[^] The reduction towards estimated variable consideration includes discounts, rebates and schemes.

30 OTHER INCOME

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
(a) Interest Income		
Interest on Fixed deposits with banks	125.90	163.06
(b) Other Gains and Losses		
Exchange gain/(losses) on transactions	86.87	70.88
Rodtep Subsidy	21.02	
Duty Drawback Refund	28.88	23.93
Freight/Transportation Charges Recovered	9.49	11.97
Profit on Sale of Fixed Asset	-	0.05
Expected Credit Gain	55.69	-
Income on Investments carried at fair value through profit or loss	-	
Gain on sale of current investments designated as FVTPL	67.54	64.09
Fair value gain arising from financial instruments designated as FVTPL	44.39	-
Sundry Balances written back	4.56	1.80
Miscellaneous income	13.26	1.30
Total	457.62	337.09

31 COST OF MATERIAL CONSUMED

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Raw materials & Components at the beginning of the year	2,048.55	1,950.32
Add: Purchases		
Raw Material & Components	13,495.62	11,864.23
Less: Raw materials & Components at the end of the year	2,465.43	2,048.55
Total	13,078.74	11,766.00

32 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Inventories at the beginning of the year	2,720.43	2,535.73
Less: Inventories at the end of the year	3,184.07	2,720.43
Net (increase) / decrease in inventories	(463.63)	(184.71)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**
33 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Salaries and wages (including Staff Welfare)	2,960.88	2,453.31
Director's Remuneration	195.16	167.99
Contribution to Provident and other funds	137.42	120.42
Gratuity expense	49.16	43.62
Bonus	61.14	69.48
Total	3,403.75	2,854.83

34 FINANCE COSTS

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Interest on secured borrowing	8.78	45.83
LC Charges	1.94	0.14
Interest expenses on financial liabilities measured at amortised cost	17.02	27.35
Interest on late Payments of TDS/TCS	0.52	2.76
Interest on late Payments Others	0.87	-
Bank Charges & Commission	33.09	8.03
Subvention Charges (Sale Invoice Discounting)	152.90	103.84
Total	215.12	187.95

35 DEPRECIATION EXPENSES

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Depreciation on property, plant and equipment (Refer Note 5 & 6)	355.02	293.38
Depreciation on intangible assets (Refer Note 7B)	6.90	6.66
Amortisation of Right to Use Assets (Refer Note 7A)	109.89	129.31
Total	471.80	429.35

36 OTHER EXPENSES

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Production expenses	953.12	711.48
Telephone and communication charges	18.56	15.79
Printing & Stationery	9.79	13.61
Repairs & maintenance expenses		
Building	7.94	18.27
Machinery	141.83	122.90
Conveyance and travelling expenses	417.13	414.03
Insurance charges	97.53	75.05
Independent Director's Sitting Fees	9.75	10.45

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Business promotion expenses	669.25	573.80
Legal & professional charges	149.14	76.70
Office Expenses/Miscellaneous Expenses	54.33	61.10
Donation	2.10	1.29
Lease Rent & License Fees	59.47	35.22
Rates & Taxes	28.32	30.83
Membership & subscription	5.26	7.68
Payment to Auditors (refer note 36 (a))	20.00	24.00
Computer consumables, software & maintenance charges	43.24	20.30
Selling & Distribution Expenses	176.82	92.24
Carriage & Freight	471.95	420.76
Expected Credit Loss	1.89	102.86
Loss on Sale of Fixed Asset	0.26	-
CSR Expenses (refer note 36 (b))	40.91	25.12
Total	3,378.59	2,853.48

36 (a) Note : The following is the break-up of Auditor's remuneration (excluding input credit of service tax / GST availed, if any)

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Statutory Audit Fees	19.00	19.00
Other Services-Limited Reviews, Certifications & Reimb. of Exp.	1.00	5.00
Total	20.00	24.00

36 (b) Details of Corporate Social Responsibility (CSR) Expenditure

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
A. Gross amount required to be spent by the Company during the year	34.20	24.28
B. Actual amount spent during the year and charged to CSR Expenses (including previous years excess spent) is as follows :		
(i) Construction/Acquisition of any Asset	19.74	19.74
(ii) On purpose other than above - in cash	5.09	5.09
C. Disclosure as per section 135(5)-Excess amount spent		
Opening unspent amount	(0.55)	-
Gross amount to be spent by the Company for the current year	34.20	24.28
	33.65	24.28
Gross amount spent by the Company of previous years		
Gross amount spent by the Company for Current year (Allowable)	40.91	24.83
	40.91	24.83
Excess amount paid during the year carried forward as prepaid(*)	(7.26)	(0.55)

* Amount of ₹ 7.26 Lakhs available to be set off in upcoming financial year.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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36 (c) Bad Debts written off net of expected credit loss allowance

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Bad Debts written	48.30	0.23
Expected Credit Allowance	(48.30)	(0.23)
Bad Debts written off (net of expected credit loss allowance)	-	-

37 EXCEPTIONAL ITEMS

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Goods damaged due to Natural Calamities/ Insurance Claim Received	-	(22.40)
Total	-	(22.40)

38 EARNINGS/ LOSS PER SHARE

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods for any share split and bonus share issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

The following is a reconciliation of the equity shares used in the computation of basic and diluted EPS:

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Ordinary equity shareholders		
Profit/(Loss) attributable to ordinary equity holders	1,824.36	2,056.81
Weighted average number of equity shares for calculation of basic EPS	9,18,74,735	9,18,74,735
Face Value per share (₹)	2	2
Basic Earnings per share (₹)	1.99	2.24
Diluted Earnings per share (₹)	1.99	2.24

At the Annual General Meeting of the Company held on 29th September, 2023, approved the sub-division of equity shares of the Company from existing face value of 10 each into face value of 2 each and from existing no. of shares 1,83,74,947 into 9,18,74,735 (i.e. split of 1 equity share of 10 each into 5 equity shares of 2 each), Accordingly, face value of the equity shares of the Company now stand at 2 each w.e.f. the record date namely 09th November, 2023.

Computation of Weighted Average number of shares

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Calculation of weighted number of shares of ₹ 2/- each		
Number of shares outstanding as an 1 st April	9,18,74,735	9,18,74,735
Weighted number of Shares considered for calculation of Basic EPS	9,18,74,735	9,18,74,735

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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39 CONTINGENT LIABILITIES AND COMMITMENTS
A - Contingent Liabilities

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
1. Letter of comfort issued to banks	-	-
2. Claim against the Company not acknowledged as debt		
(i) Income Tax matter dispute under appeal (AY 14-15)	2.70	2.70
(ii) Income Tax Matter - Rectification filed for Demand under section 147 (AY 19-20)	241.59	-
(iii) Others- Uncrystallised effect of Bank Guarantee given by company to Deputy Commissioner, Central Excise Anti Evasion Wing, Mumbai #	51.25	51.25
(iv) Demand raised against short duty paid Under Sec. 11A(10) of Central Excise (iv)Act, 1944 (Appeal Filed In Tribunal , Appeal No. E/86416/2021)	2.06	2.06
Total	297.60	56.01

#Relates to guarantee given still on hold with department related to Excise duty demand already settled under Sab Ka Vishwas Legacy Dispute Resolution Scheme in FY 2019-20. The same pertains to the redemption fine which is now being waived off , company awaits the order to release the BG.

Trademark Proceedings

The Company is subject to ongoing proceedings on Trademark applications which have arisen in ordinary course of business. The Company's management reasonably expects that such ordinary course legal proceedings, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

B - Commitments

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
1. Estimated amount of Contracts remaining to be executed on Capital account and not provided for		
(i) Towards Property, Plant & Equipment*	61.59	232.45
(ii) Towards Intangible Assets	-	-
Total	61.59	232.45

*includes IPO objects CAPEX Commitments.

40 DISCLOSURE UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 ARE PROVIDED AS UNDER FOR THE YEAR 2022-2023, TO THE EXTENT THE COMPANY HAS RECEIVED INTIMATION FROM THE "SUPPLIERS" REGARDING THEIR STATUS UNDER THE ACT.

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(i) Principal amount and the Interest due thereon remaining unpaid to each supplier at the end of each accounting year.		
Principal amount due to micro and small enterprise*	578.97	393.75
Interest due on above	-	-

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of Interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-
Total	578.97	393.75

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified till date on the basis of information collected by the Management. This has been relied upon by the auditors.

Company has not provided any Interest on outstanding dues to MSME suppliers.

41 EMPLOYEE BENEFITS
(A) Defined Contribution Plans

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss –

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Employer's Contribution to Recognised Provident Fund	159.99	109.99

(B) Defined benefit plans
i) The amount recognised in the balance sheet and the movements in the net defined benefit obligation of gratuity over the year as under:
a) Reconciliation of opening and closing balances of Defined benefit obligation

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Defined benefit obligation at the beginning of the year	159.66	121.67
Interest cost	10.50	8.59
Current service cost	44.88	37.08
Benefits paid	(1.18)	(1.49)
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	9.95	4.02
Actuarial (gain)/ loss on obligations - Due to experience	6.17	(10.20)
Defined benefit obligation at the year end	229.98	159.66

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

b) Reconciliation of Opening and closing balances of fair/ value of plan assets

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Fair value of plan assets at the beginning of the year	90.63	29.97
Employer contribution	50.00	61.49
Benefits paid	(1.18)	(1.49)
Interest Income	6.22	2.46
Return on plan assets excluding interest income	4.39	(1.80)
Fair value of plan assets at the year end	150.06	90.63

c) Investment details of Plan Assets

S. No.	Particulars	Name of Trust	Policy No.	Investment With
1)	Gratuity	HP Adhesives Limited Employees Group Gratuity Trust	G0001829	HDFC Group Traditional Plan

d) Expense recognised during the year (Under the head "Employees benefit expenses")

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
In Income Statement	49.16	43.20
In Other comprehensive Income	12.95	(4.38)
Expense recognised during the year	62.11	38.82

e) Expense recognised in Other comprehensive income

(₹ in Lakhs unless otherwise stated)

Particulars	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Actuarial (gain) / loss on Obligation for the period		
Changes in financial assumptions	11.17	4.02
Experience adjustment	6.17	(10.20)
Actual Return on Plan Assets less interest on plan assets	(4.39)	1.80
Net actuarial (gains) / losses recognised in Other Comprehensive Income	12.95	(4.38)

f) Reconciliation of fair value of assets and obligations

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Present value of defined benefit obligations	(229.98)	(159.66)
Fair Value of Plan Assets	150.06	90.63
Net asset / (liability)	(79.92)	(69.04)

g) A quantitative sensitivity analysis for significant assumption is as shown below:

(₹ in Lakhs unless otherwise stated)

Impact on defined benefit obligation	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Discount rate		
0.5% increase	218.97	151.80
0.5% decrease	242.03	168.27

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(₹ in Lakhs unless otherwise stated)

Impact on defined benefit obligation	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Rate of increase in salary		
0.5% increase	241.36	167.83
0.5% decrease	219.46	152.02
Rate of employee turnover		
1% increase	-	-
1% decrease	-	-

h) Maturity profile of defined benefit obligation

(₹ in Lakhs unless otherwise stated)

Year	As at 31 st March, 2025	As at 31 st March, 2024
Expected Outgo First	45.51	29.64
Expected Outgo Second	9.69	4.99
Expected Outgo Third	12.40	8.34
Expected Outgo Fourth	12.10	10.70
Expected Outgo Fifth	12.53	9.91
Expected Outgo Six to Nine years	62.52	48.91
Expected Outgo for Ten years and above	406.58	315.64

ii) Actuarial assumptions : Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Discount rate (per annum)	6.80%	7.25%
Rate of increase in Salary	7.00%	7.00%

In India, the market for high quality corporate bonds being not developed, the yield of government bonds is considered as the discount rate. The tenure has been considered taking into account the past long-term trend of employees' average remaining service life which reflects the average estimated term of the post-employment benefits obligations.

The Company contributes gratuity liabilities directly to HDFC Trust Group through HP Adhesives Limited Employees Group Gratuity Trust. Trustees administer contributes made to the Trusts and contributes are invested in a scheme with the HDFC Trust Group as permitted by Indian Law.

Gratuity fund asset is managed by HDFC Life Group, there is no material risk that the Company would be unable to meet its gratuity liability. Also as the fund is set up as a trust, the monies as a part of the trust will not flow back into the Company until the last employee of the trust is paid.

The present value of the Defined Benefits obligation and the related current service cost is measured using the Projected Unit Credit Actuarial Method at the end of Balance Sheet date by the Actuary.

The Company assesses all the above assumptions with its projected long term plans of growth and prevalent industry standards.

Note on other risks:

- Investment Risk** – The funds are invested by HP Adhesives Limited Employees Group Gratuity Trust managed by HDFC and they provide returns basis the prevalent bond yields on an annual basis requests for contributions to the fund.
- Interest Risk** – HP Adhesives Limited Employees Group Gratuity Trust managed by HDFC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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- iii. **Longevity Risk** – Since the gratuity payment happens at the retirement age of 60 or on leaving of Job post completion of 5 years whichever is early, longevity impact is very low at this age, hence this is a non-risk.
- iv. **Salary Risk** – The liability is calculated taking into account the salary increase, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

42 LEASES

(A) Operating leases where Company is a lessee:

The table below provides details regarding the contractual maturities of lease liabilities as at 31st March, 2025 on an undiscounted basis:

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Within one year	141.17	135.78
After one year but not more than five years	14.38	155.55
More than five years		

(B) Finance lease where Company is a lessor: Not Applicable

43 RELATED PARTY DISCLOSURES:

Disclosures under Accounting Standards Ind As 24 - "Related Party Disclosure" of the companies (Indian Accounting Standards) Rules, 2015

DETAILS OF RELATED PARTY TRANSACTIONS for period ended 31st March, 2025

Names of related parties and nature of relationship

(A) Key Management Personnel (KMP)

Anjana Haresh Motwani (Chairman)

Karan Haresh Motwani (Managing Director)

Nidhi Motwani (Executive Director)

Rajendra Kumar Jain (Independent Director)

Surendra Kumar Mehta (Independent Director)

Ajeet Anant Walavalkar (Independent Director)

Mihir Shah (Chief Financial Officer)

Jyoti Nikunj Chawda (Company Secretary)

(B) Entities/Company in which KMP / Relatives of KMP can exercise significant influence :

HP Composites LLP

HP Trading

HP Sales Corporation

Advance Solvent Adhesives

HP Marketing

HP International

HP International Limited

Hindustan Products

Raigad Carbides HUF

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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Raigad Oxygen Private Limited

Raigad Steel And Roll Forms Private Limited

HP Plastics

HDM Estates Private Limited

Advance Solvent Adhesives

(C) Other Related Parties

HP Adhesives Limited Employees Group Gratuity Trust

(₹ in Lakhs unless otherwise stated)

Particulars	Nature of Relationship	Amount 2025	Amount 2024
Remuneration to Key Managerial Person (KMP) of the Company (Inc. all benefits):			
1 Anjana Haresh Motwani	Director	63.20	50.32
2 Karan Haresh Motwani	Director	90.87	85.86
3 Nidhi Motwani	Director	41.08	35.68

Lease Rent to Key Managerial Person (KMP) of the Company:

1 Anjana Haresh Motwani	Director	43.20	43.20
2 Karan Haresh Motwani	Director	43.20	43.20

Business Transactions with Entities in which KMP / relatives of KMP have significant influence:

(A) Sale of Goods*

1 Raigad Carbides HUF	Director's Husband is a member HUF	-	7.54
2 HP Composites LLP	Directors are Partners	1.32	-

(B) Purchase of Goods*

1 Raigad Carbides HUF	Director's Husband is a member HUF	1.75	1.75
2 Raigad Oxygen Private Limited	Director's Husband is a Director	50.06	52.34
3 HP Composites LLP	Directors are Partners	0.04	-

(C) Purchase of Assets*

1 Raigad Steel and Roll Forms Private Limited	Director's Husband is a Director	19.29	261.64
2 Raigad Carbides HUF	Director's Husband is a member HUF	5.24	-

* GST not included

Other Transactions

1 HP Adhesives Limited Employees Group Gratuity Trust	Gratuity Trust	50.00	60.00
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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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Outstanding Balances Receivable/(Payable) as on 31st March, 2025

S. No.	Particulars	Nature of Relationship	Amount	Amount
1	Raigad Carbides HUF	Director's Husband is a member HUF	1.40	1.79
2	Raigad Oxygen Private Limited	Director's Husband is a Director	(0.70)	(2.02)
3	Raigad Steel and Roll Forms Private Limited	Director's Husband is a Director	-	(69.20)
4	HP Composites LLP	Directors are Partners	0.17	-

Notes:

- Sitting Fees to Non-Executive & Independent Directors paid during the year is ₹ 9.25 Lakhs.
- Remuneration paid to KMPs (Inc. all benefits) (other than directors) during the year is ₹ 61.98 Lakhs.
- Transaction with Raigad Carbides HUF- Purchase of Raw materials (Oxygen and nitrogen cylinder, LPG Cylinder) & Sales of Solvents appears to be at arm's length value. Values of transactions are insignificant and occasional in nature.
- Transaction with Raigad Oxygen Private Limited- Payments for purchase of Fuel/Diesel. On sample verification transaction are generally on arm's length values as market comparable rates available.
- Transactions with Raigad Steel and Roll Form Private Limited related to construction of Mezzanine floor - At arm's length based on documents evaluated by the Board earlier while granting approval. Presently, 95% of Project is completed as per Chartered Engineer Certificate.
- Related parties taken as identified by management.

44 FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, Investment in Deposits, Loans and advances, Security Deposits, Investment in Gratuity Fund, Borrowings, Trade payables and lease liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The amortised cost using effective interest rate (EIR) of non-current financial - term deposits is not significantly different from the carrying amount.

The carrying value and fair value of financial instruments by categories as at 31st March, 2025 are as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at FV through profit and loss		Financial assets/liabilities at FV through OCI (including Equity instruments Designated upon initial recognition)	Total carrying value	Total fair Value
		Designated upon initial recognition	Mandatory			
FINANCIAL ASSETS						
Investment*	3,437.62	-	44.39	-	3,482.01	3,482.01
Trade receivables	4,174.39	-	-	-	4,174.39	4,174.39
Cash and cash equivalents	313.73	-	-	-	313.73	313.73
Other Bank balances	159.29	-	-	-	159.29	159.29
Other Financial Asset	285.96	-	-	-	285.96	285.96
Loans and advances	101.69	-	-	-	101.69	101.69
Total	8,472.67	-	44.39	-	8,517.07	8,517.07

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(₹ in Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at FV through profit and loss		Financial assets/liabilities at FV through OCI (including Equity instruments Designated upon initial recognition)	Total carrying value	Total fair Value
		Designated upon initial recognition	Mandatory			
FINANCIAL LIABILITIES						
Lease Liabilities	201.57	-	-	-	201.57	201.57
Borrowings	568.78	-	-	-	568.78	568.78
Trade payables	2,299.60	-	-	-	2,299.60	2,299.60
Other Financial Liabilities	654.39	-	-	-	654.39	654.39
Total	3,724.34	-	-	-	3,724.34	3,724.34

Collateral: Refer Note No. 22 related to Financial Assets pledged as collateral

* Includes bank deposits classified under other current assets

The carrying value and fair value of financial instruments by categories as at 31st March, 2024 are as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Amortised Cost	Financial assets/liabilities at FV through profit and loss		Financial Assets/Liabilities at FV through OCI (including Equity instruments Designated upon initial recognition)	Total carrying value	Total fair Value
		Designated upon initial recognition	Mandatory			
FINANCIAL ASSETS						
Investment	2,111.33	-	6.73	-	2,118.06	2,118.06
Trade receivables	3,648.02	-	-	-	3,648.02	3,648.02
Cash and cash equivalents	77.91	-	-	-	77.91	77.91
Other Bank balances	831.98	-	-	-	831.98	831.98
Other Financial Asset	486.83	-	-	-	486.83	486.83
Loans and advances	106.31	-	-	-	106.31	106.31
Total	7,262.38	-	6.73	-	7,269.11	7,269.11
FINANCIAL LIABILITIES						
Lease Liabilities	264.00	-	-	-	264.00	264.00
Borrowings	52.45	-	-	-	52.45	52.45
Trade payables	1,603.19	-	-	-	1,603.19	1,603.19
Other Financial Liabilities	493.93	-	-	-	493.93	493.93
Total	2,413.57	-	-	-	2,413.57	2,413.57

45 FAIR VALUE HIERARCHY

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities (other than those specifically disclosed) are considered to be the same as their fair values, due to their short term nature.

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

(₹ in Lakhs unless otherwise stated)

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2025			
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investment*	2,464.84	1,017.17	
Trade receivables		4,174.39	
Cash and cash equivalents		313.73	
Other Bank balances		159.29	
Other Financial Asset		285.96	
Loans and advances		101.69	
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost			
Lease Liabilities		201.57	
Borrowings		568.78	
Trade payables		2,299.60	
Other Financial Liabilities		654.39	

(₹ in Lakhs unless otherwise stated)

Particulars	Level 1	Level 2	Level 3
As at 31st March, 2024			
FINANCIAL ASSETS			
(a) Financial assets measured at fair value through profit or loss			
Investment	1,819.90	298.16	
Trade receivables		3,648.02	
Cash and cash equivalents		77.91	
Other Bank balances		831.98	
Other Financial Asset		486.83	
Loans and advances		106.31	
FINANCIAL LIABILITIES			
Financial liabilities measured at amortised cost			
Lease Liabilities		264.00	
Borrowings		52.45	
Trade payables		1,603.19	
Other Financial Liabilities		493.93	

There have been no transfers between Level 1 and Level 2 during the period

The carrying amount of financial assets and financial liabilities measured at amortised cost in the standalone financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to various financial risks. These risks are categorised into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

(A) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include investments, foreign currency receivables and payables, loans and borrowings and deposits. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(₹ in Lakhs unless otherwise stated)

Years		Outstanding Borrowing Amount	Increase/ decrease in basis points	Impact on profit before tax
2025				
₹	Variable Interest Rate Borrowings	561.67 (₹ in Lakhs)	+100	5.62
		(₹ in Lakhs)	(100)	(5.62)
USD	Variable Interest Rate Borrowings	- (\$ in '000)	+100	-
		(\$ in '000)	(100)	-
2024				
₹	Variable Interest Rate Borrowings	1.58 (₹ in Lakhs)	+100	0.02
		(₹ in Lakhs)	(100)	(0.02)
USD	Variable Interest Rate Borrowings	- (\$ in '000)	+100	-
		(\$ in '000)	(100)	-

(ii) Currency risk

The functional currency of the Company is Indian Rupee. The Company is exposed to currency risk on account of its trade receivables, trade payables and payables for goods in foreign currency. The Company has not used derivative financial instruments either for hedging purpose or for trading or speculative purposes.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rate, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

(₹ in Lakhs unless otherwise stated)

	Outstanding Foreign currency Amount (Outstanding Debtors and Creditors in Foreign currency) (Amount in USD)	Increase/ decrease in basis points	Impact on profit before tax (Amount in USD)
2025	7,08,593	+5%	35,429.65
		(5%)	(35,429.65)
2024	4,56,265	+5%	22,813.25
		(5%)	(22,813.25)

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**
(B) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does not foresee any credit risks on deposits with regulatory authorities and lease deposits and/or any other financial assets.

ECL on trade receivable is carried out as per the provision matrix below:

(₹ in Lakhs unless otherwise stated)

Receivables Ageing	Gross Carrying amount (as on 31 st March, 2025)	Expected loss rate	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Not due	2,895.59	1.62%	46.87	2,848.72
0-30 days	939.51	6.56%	61.64	877.86
30-60 days	210.92	15.83%	33.40	177.52
60-90 days	152.96	28.74%	43.95	109.01
90-120 days	137.28	28.76%	39.48	97.80
120-150 days	28.39	45.31%	12.86	15.52
150-180 days	17.52	65.06%	11.40	6.12
More than 180 days	316.24	86.77%	274.41	41.82
Carrying amount of trade receivables (net of impairment)	4,698.40		524.02	4,174.39
Total				4,174.39

(₹ in Lakhs unless otherwise stated)

Receivables Ageing	Gross Carrying amount (as on 31 st March, 2024)	Expected loss rate	Expected credit losses (loss allowance provision)	Carrying amount of trade receivables (net of impairment)
Not due	2,613.61	1.08%	22.76	2,590.85
0-30 days	667.83	4.40%	30.23	637.61
30-60 days	182.61	12.19%	20.73	161.88
60-90 days	270.72	24.96%	68.66	202.06
90-120 days	31.34	24.96%	7.95	23.39
120-150 days	16.19	43.25%	8.28	7.91
150-180 days	10.14	63.07%	7.37	2.77
More than 180 days	481.71	94.47%	460.16	21.55
Carrying amount of trade receivables (net of impairment)	4,274.15		626.13	3,648.02
Total				3,648.02

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)**

The following table summarises the changes in loss allowances measured using life time expected credit loss model -

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Opening Provision	626.13	523.50
Add: Adjustments during the year	(104.00)	102.63
Closing provision	522.13	626.13

(C) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarises the maturity profile of the Company's financial liabilities:

(₹ in Lakhs unless otherwise stated)

Particulars	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31st March, 2025				
Borrowings				
Term Loans (Including Vehicle Loans)	15.16	-	-	15.16
Short term borrowings (Net)	553.62	-	-	553.62
Lease liabilities	141.17	14.38	-	155.55
Trade payables	2,299.60	-	-	2,299.60
	3,009.55	14.38	-	3,023.93

(₹ in Lakhs unless otherwise stated)

Particulars	Less than 1 year	1 year to 5 years	More than 5 years	Total
As at 31st March, 2024				
Borrowings				
Term Loans (Including Vehicle Loans)	37.28	15.16	-	52.45
Short term borrowings	-	-	-	-
Lease liabilities	135.78	155.55	-	291.32
Trade payables	1,603.19	-	-	1,603.19
	1,776.25	170.71	-	1,946.96

47 CONTRACT BALANCES

(₹ in Lakhs unless otherwise stated)

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Trade receivables	-	-
Contract assets	-	-
Contract liabilities	-	-

Amount of revenue recognised from Contract liabilities

Particulars	As at 31 st March, 2025	As at 31 st March, 2024
Amounts included in contract liabilities at the beginning of the year	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

48 CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using net debt to equity ratio, which is net debt (as reduced by cash and cash equivalent) divided by total equity.

(₹ in Lakhs unless otherwise stated)

Particulars		As at 31 st March, 2025	As at 31 st March, 2024
Total Equity	(i)	18,427.97	16,888.93
Total Borrowings		568.78	52.45
Less: Cash and Cash Equivalents (including Banks deposits & Liquid Mutual Funds)		(4,257.50)	(3,528.75)
Net debt	(ii)	(3,688.72)	(3,476.30)
Net Debt to Equity ratio (Net Gearing Ratio)	(ii)/ (i)	-20.02%	-20.58%

Dividends

Equity Share	For the Year Ended 31 st March, 2025	For the Year Ended 31 st March, 2024
Interim Dividend of ₹ /- each	-	-
Final Dividend of ₹ 0.30/- each	275.63	-
	275.63	-

The Board of Directors of the Company in its meeting held on 14th May, 2024 has approved and declared final dividend of ₹ 0.30/- i.e. 15% on Face Value of ₹ 2/- per equity share of the Company for the financial year 2023-2024 which was later approved by shareholders in AGM.

49 TRADE RECEIVABLES (GROSS) AGEING SCHEDULE FOR THE YEARS ENDED AS ON 31ST MARCH, 2025 IS AS FOLLOWS:

(₹ in Lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months (inc. not due)	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
A. Undisputed Trade Receivables						
(i) Considered good	4,132.56	5.52	8.05	9.17	19.09	4,174.39
(ii) Having significant increase in credit risk considered doubtful						
(ii) Credit Impaired	249.60	36.20	52.79	60.19	125.25	524.02
B. Disputed Trade Receivables						
(i) Considered good						
(ii) Having significant increase in credit risk considered doubtful						
(ii) Credit Impaired						

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

Trade Receivables(Gross) Ageing Schedule for the years ended as on 31st March, 2024 is as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment#					Total
	Less than 6 months (inc. not due)	6 months to 1 year	1-2 years	2-3 years	More than 3 years	
A. Undisputed Trade Receivables						
(i) Considered good	3,626.48	3.54	4.17	3.41	10.43	3,648.02
(ii) Having significant increase in credit risk considered doubtful						
(ii) Credit Impaired	165.97	71.21	84.65	68.25	236.05	626.13
B. Disputed Trade Receivables						
(i) Considered good						
(ii) Having significant increase in credit risk considered doubtful						
(ii) Credit Impaired						

in case of no due dates specified, date of transaction is considered

Gross carrying values after deducting the bad debts are considered without considering the effect of provision of ECL are considered.

Total Bad debts written off during the year amount of ₹ 48.30 Lakhs adjusted with ECL provision.

50 TRADE PAYABLES AGEING SCHEDULE FOR THE YEARS ENDED AS ON 31ST MARCH, 2025 IS AS FOLLOWS:

(₹ in Lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to Micro & Small Enterprises	548.17	30.81			578.97
(ii) Dues to Other than Micro & Small Enterprises	1,717.94	1.58		1.10	1,720.62
(iii) Disputed dues to Micro & Small Enterprises					
(iv) Disputed Dues to other than Micro & Small Enterprises					

Trade Payables Ageing Schedule for the years ended as on 31st March, 2024 is as follows:

(₹ in Lakhs unless otherwise stated)

Particulars	Outstanding for following periods from due date of payment#				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Dues to Micro & Small Enterprises	393.61	0.14			393.75
(ii) Dues to Other than Micro & Small Enterprises	1,208.34	1.10			1,209.44
(iii) Disputed dues to Micro & Small Enterprises					
(iv) Disputed Dues to other than Micro & Small Enterprises					

In case of no due dates specified, date of transaction is considered

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

- 51** The Company does not have any transactions with the struck off companies during the current & previous year.
- 52** Disclosure regarding details of Benami Property held- **Nil**
- 53** Disclosure regarding wilful Defaulter- **Nil**
- 54** Disclosure regarding pending registration of charges or satisfaction with Registrar of Companies : As explained by company and secretarial compliance officer, No such matter are pending.
- 55** Disclosure regarding compliance with number of layers of companies as prescribed clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable on the Company as no subsidiaries to the Company.

56 DISCLOSURE OF SIGNIFICANT RATIO :

	Particulars	Numerator	Denominator	As at 31 st March		Variance (in %)	Reason for Variance
				2025	2024		
(a)	Current Ratio	Current Assets	Current Liabilities	3.57	4.63	(29.76)	Note (a)
(b)	Debt-Equity Ratio	Total Debt	Shareholder's Equity	0.03	0.00	89.94	Note (b)
(c)	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	11.24	13.22	(17.62)	NA
(d)	Return on Equity Ratio,	Net profits after tax	Shareholders Equity	9.9%	12.2%	(23.02)	NA
(e)	Inventory turnover ratio	Cost of Goods Sold	Average Inventory	3.05	3.20	(4.86)	NA
(f)	Trade Receivables turnover ratio	Revenue	Average Trade Receivables	6.47	6.40	1.03	NA
(g)	Trade payables turnover ratio	Purchases of RM and Trading goods	Average Trade Payables	8.60	8.32	3.23	NA
(h)	Net capital turnover ratio	Revenue	Working Capital (excluding cash and current borrowings)	2.36	2.70	(14.59)	NA
(i)	Net profit ratio	Net Profit	Revenue	7.2%	8.7%	(20.85)	NA
(j)	Return on Capital employed	Earning before Interest & taxes	Capital Employed	13.5%	19.9%	(47.43)	Note (c)
(k)	Return on investment Unquoted (Fixed Deposits)	Income generated from Investments	Average Investments	5.8%	6.7%	(15.17)	NA

Note:

- (a) Ratio has decreased as the trade payables in FY 2024-25 has increased higher than increase in current assets compared to the current assets and current liabilities levels in FY 2023-24
- (b) Ratio has increased due to year-end liquidity management resulting in higher cash credit outstanding compared to FY 2023-24. However this increase in outstanding cash credit facility is temporary.
- (c) Ratio has declined due to reduction in profitability in FY 2024-25 due to higher employee and other expenses as compared to previous year whereas capital employed has only increased due to increasing size of the business

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2025 (CONTD.)

57 DISCLOSURE REGARDING UTILISATION OF BORROWED FUNDS AND SHARE PREMIUM

- (A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (B) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries regarding amount received on subscription of shares through IPO by FII (Qualified Institutional Investors) for which company as assured due diligence, FEMA Compliance have been duly complied by the Lead Merchant Banker, Registrar and Bankers to IPO.
- (c) Utilisation of Share Premium - Refer Note No.17.

- 58** Disclosure regarding undisclosed/surrendered Income if any under provisions of Income Tax Act, 1961: *Company has no such events.*

- 59** Disclosure regarding trading or inviting in Crypto Currency or Virtual Currency - NIL

- 60** The financial statements of the Company were authorised for issued in accordance with a resolution of the directors on 13th May, 2025.

61 MANAGEMENT NOTE ON AUDIT TRAIL

The Company has used accounting software for maintaining its Books of Accounts which has a feature of recording Audit trail (Edit log) facility and the same has been operated throughout the year for the relevant transactions recorded in the software except for other software used by company to maintain payroll and excel spreadsheets for inventory records. Wherever Audit trail is enabled no instances of Audit trail feature being tampered with was noted in respect of above accounting software and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

62 RECLASSIFICATION IN THE STATEMENT OF PROFIT AND LOSS

Based on review of commonly prevailing practices and to align with presentation used by the peer group companies, the management of the Company has (1) Separated Selling & Distribution Expenses between Selling & Distribution and Carriage and Freight Expense under same head of Other Expenses and;

(2) Reclassified Freight/Transportation Charges Recovered of ₹ 11.17 Lakhs from Revenue from Operations to Other Income for the year ended 31st March, 2024.

The management believes that the such reclassification does not have any material impact on information presented in the consolidated statement of Profit and loss and in the consolidated balance sheet at the beginning of the preceding period. Accordingly, the Company has not presented third balance sheet in the consolidated financial statements.

As per our report of even date attached
For Priya Choudhary & Associates LLP
Chartered Accountants
Firm's Registration No : 011506C/C400307

Vaibhav Choudhary
(Partner)
Membership No: 407543

Place: Bhilwara
Date: 13th May, 2025

For and on behalf of the Board of Directors
HP ADHESIVES LIMITED

ANJANA HARESH MOTWANI
(Chairman)
DIN: 02650184

MIHIR SURESH SHAH
(Chief Financial Officer)
(Pan : AZBPS0681B)

Place: Mumbai
Date: 13th May, 2025

KARAN HARESH MOTWANI
(Managing Director)
DIN: 02650089

JYOTI NIKUNJ CHAWDA
(Company Secretary)
(Mem No.: 40074)

NOTICE OF THE ANNUAL GENERAL MEETING

HP ADHESIVES LIMITED

CIN: L24304MH2019PLC325019

Registered Office: 11 Unique House, Chakala Cross Road, Andheri East, Mumbai 400099, Maharashtra, India.

Corporate Office: 501, 5th Floor, C Wing, Business Square, Chakala, Andheri East, Mumbai 400093, Maharashtra, India.

Tel No.: + 91-22-6819 6300; Website: www.hpadhesives.com; Email: investors@hpadhesives.com

NOTICE is hereby given that the 6th Annual General Meeting of the Members of HP Adhesives Limited ("the Company"), will be held on Tuesday, 30th September, 2025 at 03:00 p.m. IST through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the Audited Financial Statements (including audited consolidated financial statements) of the Company for the Financial Year ended 31st March, 2025 and the reports of the Board of Directors and Auditors thereon.**

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

"RESOLVED THAT the audited financial statements (standalone and consolidated) of the Company for the Financial Year ended 31st March, 2025 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

- To declare a final dividend of 20% i.e. ₹ 0.40/- per equity share of face value of ₹ 2/- each for the financial year ended 31st March, 2025.**

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

"RESOLVED THAT the final dividend at the rate of 20% i.e. ₹ 0.40/- per equity share of face value of ₹ 2/- each fully-paid up of the Company, as recommended by the Board of Directors for the Financial Year ended 31st March, 2025, be and is hereby declared and that such dividend be paid to those equity shareholders whose names appear in the Register of Members as on the record date fixed for the purpose."

- To appoint Mrs. Anjana Motwani (DIN: 02650184) as Director, liable to retire by rotation, and being eligible, offers herself for re-appointment.**

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Anjana Motwani (DIN: 02650184), who retires by rotation at this

meeting and being eligible has offered herself for re-appointment, be and is hereby appointed as a Director of the Company."

- To re-appoint the Statutory Auditors of the Company, and to fix their remuneration.**

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

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendation of the Board, M/s. Priya Choudhary & Associates LLP, Chartered Accountant (Firm Registration No. 011506C/C400307) be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office for a period of 5 (five) consecutive years commencing from the conclusion of this Annual General Meeting till the conclusion of the 11th Annual General Meeting of the Company to be held in the financial year 2030-31, at such remuneration as may be determined by the Board in consultation with the auditors in addition to reimbursement of all out of-pocket expenses to be incurred by them in connection with the audit."

SPECIAL BUSINESS:

- To appoint the Secretarial Auditors of the Company, and to fix their remuneration**

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 204 and all other applicable provisions, if any, of the Companies Act, 2013 (the 'Act') read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 24A of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), as amended from time to time, and based on the

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

recommendation of the Audit Committee and the approval of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded for appointment of M/s. Shivam Sharma & Associates (Membership No. A35727/ Certificate of Practice No. 16558), (Peer Review Certificate No.1811/2022), Practicing Company Secretaries, as the Secretarial Auditor of the Company for a term of 5 (five) consecutive years commencing from FY 2025-26 to FY 2029-30, to conduct Secretarial Audit of the Company, on such terms & conditions, including remuneration as may be determined by the Board of Directors (hereinafter referred to as the "Board" which term shall include any Committee of the Board).

RESOLVED FURTHER THAT approval of the Members is hereby accorded to the Board to avail or obtain from the Secretarial Auditors, such other services or certificates or reports which the Secretarial Auditors may be eligible to provide or issue under the applicable laws at a remuneration to be determined by the Board.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- To re-appoint Mr. Karan Motwani (DIN: 02650089) as the Managing Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 198 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Regulations") consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Karan Motwani (DIN: 02650089) as the Managing Director of the Company for the further period of 5 years upon the terms and subject to the conditions as set out hereunder, with further liberty to the Board of Directors of the Company to alter and vary the said effective from 01st May, 2026, on such terms and conditions, in such manner as may be agreed between the Board of Directors and Mr. Karan Motwani.

RESOLVED FURTHER THAT pursuant to the provisions of Section 197, 198 of the Act, Schedule V thereto and other applicable provisions, read with the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014, and any other applicable law for the time being in force (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of members of the Company be and is hereby accorded to pay remuneration to Mr. Karan Motwani in line with the limits prescribed under Section 197 of the Act read with Schedule V of the Act, up to such amount as may be determined by the Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee of the Board.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17(6)(e) of the SEBI Regulations, consent of the members of the Company be and is hereby also provided for payment of annual remuneration as set out herein below to Mr. Karan Motwani, Managing Director, as may be decided by the Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee of the Board.

RESOLVED FURTHER THAT based on the recommendation of Nomination and Remuneration Committee, and approval of the Board, the terms and conditions of appointment of Mr. Karan Motwani (DIN: 02650089), including remuneration and annual incremental thereof, can be altered and varied, but such remuneration shall not exceed the limits specified in the Companies Act, 2013 and/ or as specifically approved by the Members of the Company pursuant to Section 197 of the Act read with Schedule V and applicable SEBI Listing Regulations, 2015.

Salary: ₹ 1,08,62,500/- (Indian Rupees One Crore Eight Lakhs Sixty-two Thousand and Five Hundred) per annum, with such annual increments as may be decided by the Board of Directors from time to time based on the recommendation of the Nomination and Remuneration Committee.

Perquisites: As approved by Nomination & Remuneration Committee and Board of Directors of the Company in their respective meetings.

RESOLVED FURTHER THAT Mr. Karan Motwani shall not be liable to retire by rotation

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director, the payment of remuneration shall be governed by the limits prescribed under Section 197 of the Companies Act 2013 ("the Act") read with Part II of Schedule V to the Act as specifically approved by the Members of the Company.

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

RESOLVED FURTHER THAT any Director or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and things which may be necessary for re-appointment of Mr. Karan Motwani (DIN: 02650089), as the Managing Director of the Company."

7. Re-appointment of Mr. Surendra Kumar Mehta as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Mr. Surendra Kumar Mehta (DIN: 09211358), who was appointed as an Independent Director at the Extra Ordinary General Meeting of the Company held on 23rd June, 2021, and who holds office up to 22nd June, 2026 and has submitted a declaration confirming that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for the second term of five years commencing from 23rd June, 2026 to 22nd June, 2031 (both days inclusive), be and is hereby approved.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder, Mr. Surendra Kumar Mehta shall be entitled to receive the remuneration/fees/commission as permitted to be received in the capacity of Non-Executive, Independent Director, under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

8. Re-appointment of Mr. Ajeet Anant Walavalkar as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and any other applicable provisions of the Companies Act, 2013 ("the Act"), read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Mr. Ajeet Anant Walavalkar (DIN: 09226644), who was appointed as an Independent Director at the Extra Ordinary General Meeting of the Company held on 6th July, 2021, and who holds office up to 4th July, 2026 and has submitted a declaration confirming that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for the second term of five years commencing from 5th July, 2026 to 6th July, 2031 (both days inclusive), be and is hereby approved.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder Mr. Ajeet Anant Walavalkar shall be entitled to receive the remuneration/fees/commission as permitted to be received in the capacity of Non-Executive, Independent Director, under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

9. Re-appointment of Mr. Rajendra Kumar Jain as an Independent Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, and any other applicable provisions

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of the Companies Act, 2013 ("the Act"), read with Schedule IV and the Companies (Appointment and Qualification of Directors) Rules, 2014, and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Articles of Association, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the re-appointment of Mr. Rajendra Kumar Jain (DIN: 00144095), who was appointed as an Independent Director at the Extra Ordinary General Meeting of the Company held on 6th July, 2021, and who holds office up to 4th July, 2026 and has submitted a declaration confirming that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, and who is eligible for re-appointment as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for the second term of five years commencing from

5th July, 2026 to 6th July, 2031 (both days inclusive), be and is hereby approved.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 197, and other applicable provisions of the Act and the Rules made thereunder, Mr. Rajendra Kumar Jain shall be entitled to receive the remuneration/fees/commission as permitted to be received in the capacity of Non-Executive, Independent Director, under the Act and Listing Regulations, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

For **HP Adhesives Limited**

Karan Haresh Motwani
Managing Director
DIN: 02650089

Date: 8th August, 2025
Place: Mumbai

NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Act, in respect of the Special Business set out are annexed hereto.
2. In compliance with General Circular No. 09/2024 dated 19th September, 2024, issued by the Ministry of Corporate Affairs (MCA) and Circular issued by SEBI vide Circular No. SEBI/HO/CFD/CFDPoD-2/P/CIR/2024/133 dated 3rd October, 2024 ("SEBI Circular"), other applicable circulars and notifications issued (including any statutory modifications or re-enactment thereof) for the time being in force and as amended from time to time and the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 6th Annual General Meeting ("AGM") of the Company is being held through VC/OAVM without the physical presence of Members at a common venue. The deemed venue of the AGM shall be the registered office of the Company.
3. The relevant details, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards-2 issued by ICSI, in respect of Directors seeking appointment/re-appointment at this AGM is annexed to this Notice.
4. Since the AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies

by the Members will not be available for the AGM. The route map, proxy form as well as the attendance slip are therefore, not annexed to this Notice.

However, in terms of the provisions of Section 112 and 113 of the Act read with the said MCA Circulars, Corporate Members are entitled to appoint their authorised representatives to attend the AGM through VC/ OAVM on their behalf and participate thereat, including cast votes by electronic means. Corporate Members intending to appoint their authorised representatives to attend the Meeting pursuant to Section 113 of the Act are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf.

5. The Company has availed the services of Central Depository Services (India) Limited ("CDSL") for conducting the AGM through VC/OAVM and enabling the participation of members at the meeting and for providing services of remote e-voting and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at note no.21 below.
6. The Notice of AGM along with the Annual Report is being sent to all the Members/ Beneficiaries electronically, whose names appear on the Register of Members/ Record of Depositories as on Friday, 29th August, 2025

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

- 1st September, 2023 in accordance with the provisions of the Companies Act, 2013, read with Rules made thereunder and MCA and SEBI Circulars
7. The attendance of the Shareholders attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 8. In case of joint holders participating at the AGM together, only such joint holder whose name appears higher in the order of names will be entitled to vote.
 9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and any other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection in accordance with the applicable statutory requirements based on the requests received by the Company at investors@hpadhesives.com.
 10. The Board of Directors of the Company, at its meeting held on Friday, 8th August, 2025 has appointed Mr. Shivam Sharma, Proprietor of M/s. Shivma Sharma & Associates, Practicing Company Secretary as the Scrutiniser to scrutinise the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner. Upon completion of the scrutiny of the e-voting, the Scrutiniser will submit his report to the Chairperson of the Company. The results will be declared within 2 working days from the conclusion of AGM. The Voting Result along with the consolidated Scrutiniser's report will be communicated to the Stock Exchanges, Depository, Registrar and Share Transfer Agent and displayed on the Company's website at www.hpadhesives.com.
 11. In compliance with aforesaid MCA and SEBI circulars, the Notice of the AGM along with the Annual Report 2024-25 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice calling AGM and Annual Report 2024-25 are available on the website of the Company at www.hpadhesives.com, on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of Central Depository Services (India) Limited (CDSL) i.e. www.evotingindia.com (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). The Company's web link on the above will also be provided in the advertisement being published in newspaper having wide circulation in India (English Language) and local newspaper (Marathi Language).
 12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Accordingly, members holding shares in electronic form are requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.
 13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs.
 14. If the dividend as recommended by the Board is approved at the AGM, payment of such dividend will be made on or before 29th October, 2025 subject to deduction of tax at source, as applicable:
 - to all the Members in respect of shares held in physical form whose names appear in the Company's Register of Members as at the close of business hours on the record date; and
 - to all Beneficial Owners in respect of shares held in dematerialised form whose names appear in the list of Beneficial Owners furnished by Depositories as at the close of business hours on the record date.
 15. Dividend income on equity shares is taxable in the hands of shareholders and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates in accordance with the provisions of the Income Tax Act, 1961 ("IT Act") read with amendments thereof. The shareholders are requested to update their PAN with the Company/Registrar & Transfer Agents with the Depositories/Depository Participants ("DPs") (in case of shares held in demat form).

Resident shareholders:

For resident shareholders, who have provided PAN, tax shall be deducted at source under Section 194 of the Income Tax Act, 1961 ("IT Act") at 10% on the amount of dividend.

Tax shall be deducted at source at 20% wherein:

- a. In case of individual member, if PAN is not registered with the Company /RTA / Depository Participant or if PAN is not lined to Aadhaar & cumulative dividend payment by the companyhe Company to an individual member is more than ₹ 10,000/-, TDS / Withholding tax will be deducted at 20% under Section 206AA of Income Tax Act, 1961.

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- b. Shareholders are classified as specified persons (i.e. non-filers of Income-tax returns) under Section 206AB.
- c. Shareholders who have not linked PAN with Aadhaar as per the guidelines issued by Central Board of Direct Taxes ("CBDT").
- f. Category I or a Category II Alternative Investment Fund (registered with Securities and Exchange Board of India ("SEBI") as per Section 115UB) as per notification 51/2015.

No tax shall be deducted on the dividend payable to a resident shareholder:

- If the total dividend paid or likely to be paid to the resident individual shareholders during FY 2024-25 does not exceed ₹ 5,000;
- Individual shareholder submits Form 15G/ Form 15H/ Nil withholding certificate/Lower withholding certificate and meets all the required eligibility conditions.
- Shareholders (other than individual) submits Nil withholding certificate/other exemption documents and meets all the required eligibility conditions.

Apart from cases stated above, following categories of shareholders are exempt from tax deduction at source as per second proviso to Section 194 of the IT Act:

- a. Life Insurance Corporation of India;
- b. General Insurance Corporation of India/ The New India Assurance Company Limited/ United India Insurance Company Limited/ The Oriental Insurance Company Limited/ National Insurance Company Limited;
- c. Any other insurer in respect of any shares owned by it or in which it has full beneficial interest; and
- d. Dividend income credited/paid to a "business trust", as defined in clause (13A) of Section 2, by a special purpose vehicle referred to in the explanation to clause (23FC) of Section 10.

The following payees are also not subject to tax deducted at source in view of the provisions of Sections 196 and 197A of the IT Act and CBDT notification:

- a. Government [Section 196(i)];
- b. Reserve Bank of India [Section 196(ii)];
- c. A corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income [Section 196(iii)];
- d. Mutual Fund specified under Section 10(23D) [Section 196(iv)];
- e. any person for, or on behalf of, the New Pension System Trust referred to in Section 10(44) [sub-section 1E to Section 197A];

In case, dividend income is assessed/taxable in the hands of a person other than the shareholder and TDS is applicable on such dividend, then such shareholder should file declaration with the Company in the manner prescribed in Rule 37BA of IT Rules.

Non-resident shareholders:

For a Foreign Portfolio Investor ("FPI"), taxes shall be deducted at source under Section 196D of the IT Act at 20% (plus applicable surcharge and cess).

For other non-resident shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the IT Act, at the rates in force. As per the relevant provisions of the IT Act, the tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them.

No tax shall be deducted on the dividend payable to a non-resident shareholder if the shareholder submits Nil withholding certificate and meets all the required eligibility conditions.

FPI and the non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the shareholder, if they are more beneficial to them.

To avail benefit of rate of deduction of tax at source under DTAA, such FPI/non-resident shareholders will have to provide the following:

- a. Self-attested copy of the PAN allotted by the Indian Income Tax authorities.

In case of non-availability of PAN, following details and documents to be furnished:
 - i. name, e-mail address, contact number;
 - ii. address in the country of which the deductee is a resident;
 - iii. tax residency certificate;
 - iv. Tax Identification Number of the deductee in the country or specified territory of his residence and in case no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

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- b. Tax residency certificate from the jurisdictional tax authorities confirming residential status which covers the period of FY 2024-25.
- c. Form 10F by the non-resident shareholder filed electronically on Income Tax Portal.
- d. Self-declaration by the non-resident shareholder as to:
 - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
 - No Permanent Establishment/fixed base in India in accordance with the applicable tax treaty;
 - Shareholder being the beneficial owner of the dividend income to be received on the equity shares;
 - In case of Foreign Institutional Investor and Foreign Portfolio Investor, copy of SEBI registration certificate.

General:

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the IT Act, we request resident shareholders, FPI and non-resident shareholders to upload the details and documents referred to in the Notice in the specified format and as applicable on the link <https://www.bigshareonline.com/ForInvestor.aspx>. No communication on the tax determination/deduction shall be entertained beyond 11:59 p.m. (IST) on Sunday, 19th September, 2025.

Deduction of tax at a rate lower than statutory rate or no deduction of tax shall depend upon the completeness of the documents and the satisfactory review of the forms and the documents, submitted by resident shareholders, to the Company/RTA.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review of the documents submitted, by FPI/ non-resident shareholders to the Company/RTA.

Tax deducted by the Company is final and the Company shall not refund/adjust the tax so deducted subsequently.

Instructions for Members for Remote E-Voting are as under:

16. Pursuant to Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI Listing Regulations and the MCA Circulars mentioned above, a facility is provided to the Members to cast their votes using an electronic voting system from any place before the meeting ("remote e-voting") and during the meeting in respect of the resolutions proposed in this Notice using the platform of Central Depository Services (India) Limited ("CDSL").
17. In order to increase the efficiency of the voting process and in terms of SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09th December, 2020, demat account holders are being provided with a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would now be able to cast their vote without having to register again with the e-voting service providers, thereby facilitating seamless authentication and convenience of participating in the e-voting process.
18. A facility for e-voting at the AGM will be made available to the Members who have not already cast their votes by remote e-voting prior to the Meeting. Members who have cast their votes by remote e-voting prior to the Meeting may participate in the AGM but shall not be entitled to cast their votes during the meeting.
19. Voting Rights shall be reckoned on the paid-up value of equity shares registered in the name of the Members as of the cut-off date i.e. Tuesday, 23rd September, 2025. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date, i.e. Tuesday 23rd September, 2025 only shall be entitled to avail the facility of remote e-voting.
20. The remote e-voting period commences on Saturday, 27th September, 2025 from 9:00 a.m. IST and ends on Monday, 29th September, 2025 at 5:00 p.m. IST. The remote e-voting module shall be disabled by CDSL thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

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21. The procedure for remote e-voting and joining the virtual AGM is as under:

A. The details of the process and manner for remote e-voting and joining virtual meetings for Individual shareholders holding securities in Demat mode are explained herein below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<div>1) Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasitoken/home/login or by visiting www.cdslindia.com and click on Login icon and select New System Myeasi.</div> <div>2) After successful login; the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting their vote during the remote e-voting period or for joining virtual meeting & voting during the meeting. Additionally, there are links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</div> <div>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration.</div> <div>4) Alternatively, the user can directly access the e-Voting page by providing their Demat Account Number and PAN from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending an OTP to the registered Mobile no. & Email as recorded in the Demat Account. After successful authentication, the user will be able to see the e-Voting option where the e-voting is in progress and you will also be able to access the system of all e-Voting Service Providers.</div>
Individual Shareholders holding securities in demat mode with NSDL	<div>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining a virtual meeting & vote during the meeting.</div> <div>2) If the user is not registered for IDeAS e-Services, an option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.</div> <div>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining a virtual meeting & voting during the meeting.</div> <div>4) 4) For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</div>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for utilizing the e-Voting facility. After successful login, you will be able to see the e-Voting option. Once you click on this e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Important notes:

- Members are advised to update their mobile number and e-mail ID in their demat account with their Depository Participants to access Remote E-voting facility.
- Members who are unable to retrieve User ID/ Password are advised to use “Forgot User ID” and “Forgot Password” option available at the abovementioned websites.

Helpdesk details for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 4886 7000 and 022 2499 7000.

B. Login method for Remote e-Voting and joining virtual meeting for non- individual shareholders holding shares in Demat form and shareholders holding shares in physical form.

- (i) The Members should log on to the e-voting website www.evotingindia.com.
- (ii) Click on “Shareholders” module.
- (iii) Now enter your User ID:
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on “Login”.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (vi) If you are a first-time user follow the steps given below:

For non-individual Members holding shares in Demat Form and shareholders holding shares in physical Form	
PAN	<ul style="list-style-type: none">• Enter your 10-digit alpha-numeric PAN issued by Income Tax Department. (Applicable for both Demat shareholders as well as physical shareholders).• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none">• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login.• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (vii) After entering these details appropriately, click on “**SUBMIT**” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note

that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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- (ix) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the **EVS**N of **HP ADHESIVES LIMITED** to vote.
- (xi) On the voting page, you will see “**RESOLUTION DESCRIPTION**” and against the same the option “**YES/NO**” for voting. Select the option **YES** or **NO** as desired. The option YES implies that you assent to the Resolution and option **NO** implies that you dissent to the Resolution.
- (xii) Click on the “**RESOLUTIONS FILE LINK**” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on “**SUBMIT**”. A confirmation box will be displayed. If you wish to confirm your vote, click on “**OK**”, else to change your vote, click on “**CANCEL**” and accordingly modify your vote.
- (xiv) Once you “**CONFIRM**” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) If a Member holding shares in dematerialized form has forgotten the password, the member can retrieve the same by entering the User ID and the image verification code and then by clicking on “**PASSWORD**”. Members are requested to enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutinizer for verification

(xvii) Additional facility for Non – Individual Members and Custodians - Remote e-voting:

- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “CORPORATES” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed at investor@bigshareonline.com with a copy marked to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual Members are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with the attested specimen signature of the duly authorized signatory who is authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@hpadhesives.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

22. Instructions for Members for participating in the AGM through VC /OAVM

- a) Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at https://www.evotingindia.com under members login by using the remote e-voting credentials. The procedure for attending meeting and e-voting on the day of the AGM is the same as the instructions mentioned above for Remote e-voting in note 21. The link for members to attend the meeting through VC/OAVM or view the webcast of the meeting will be available in the members login where the EVSN of Company will be displayed.
- b) The Members can join 15 (fifteen) minutes before the scheduled time of AGM and 15 (fifteen) minutes after the commencement of the AGM.
- c) Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.
- d) Members are encouraged to join the Meeting through Laptops/IPads for a better experience.
- e) Further Members will be required to use Camera and Internet with a good speed to avoid any disturbance during the meeting.
- f) Please note that participants connecting from devices via mobile hotspot may experience Audio/

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

Video loss due to fluctuations in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- g) As per the provisions of the MCA Circulars, Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

23. The instructions for Members for e-voting on the day of the AGM are as under:

- The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members, who will participate in the AGM through VC / OAVM facility and have not casted 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 in the AGM.
- Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- For details of the person who may be contacted for any assistance connected with the facility for e-voting on the day of the AGM, please refer Note No. 21 above.
- If any Votes are cast by the members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members shall be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

24. Process for those shareholders whose Email /Mobile no. are not registered with the Company / Depositories

- a) For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.

- For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
- For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

25. Procedure to raise questions / seek clarifications with respect to Annual Report:

- As the AGM is being conducted through VC/ OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views/ send their queries in advance mentioning their name Demat account number, email id, mobile number to investors@hpadhesives.com. Questions/queries received by the Company till 5.00 p.m. IST on Tuesday, 23rd September, 2025 shall only be considered and responded to during the AGM.
- Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending an email to investors@hpadhesives.com any time before 5.00 p.m. IST on Tuesday, 23rd September, 2025, mentioning their name, Demat account number, email id, mobile number. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
- The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM, depending on availability of time.

26. General Guidelines for Members:

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions and e-voting manual available at www.

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

- c) All grievances connected with attending the AGM and facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 21 09911.

27. Voting Results

- a) The Board of Directors of the Company has appointed Mr. Shivam Sharma, Proprietor of M/s. Shivma Sharma & Associates, Practising Company Secretaries, Mumbai, as the Scrutiniser to scrutinise the voting including remote e-voting process in a fair and transparent manner.

- The Scrutiniser shall immediately after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-voting and shall make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a Director or Company Secretary authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- Once declared, the results along with the consolidated Scrutiniser's report shall be placed on the Company's website www.hpadhesives.com and on the website of CDSL www.evotingindia.com. The Company shall also forward the results to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.
- Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Tuesday, 30th September, 2025.

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

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

Item No. 6: To re-appoint Mr. Karan Motwani (DIN: 02650089) as the Managing Director of the Company.

The Board of Directors in its meeting held on 7th May, 2021, appointed Mr. Karan Motwani as a Managing Director of the Company for a period of 5 (five) years i.e. with effect from 1st May, 2021 to 30th April, 2026, not liable to retire by rotation. Accordingly, the present term of Mr. Karan Motwani as a Managing Director shall be completed on 30th April, 2026.

Pursuant to Section 196 of the Companies Act, 2013 (“the Act”), no re-appointment of Managing Director, Whole-time Director or Manager shall be made earlier than 1 (one) year before the expiry of his/her term.

Considering the rich experience, competency and leadership of Mr. Karan Motwani, based on the recommendation of Nomination and Remuneration Committee at its meeting held on 8th August, 2025 and subject to approval of the Members, the Board of Directors at its meeting held on 8th August, 2025, re-appointed Mr. Karan Motwani as the Managing Director of the Company for a period of 5 (five) years with effect from 1st May, 2026, not liable to retire by rotation, on the following broad terms and conditions of re-appointment and remuneration payable to Mr. Karan Motwani as the Managing Director of the Company:

- a. **Designation:** Managing Director
- b. **Tenure as Managing Director:** for a period of 5 years, effective from 1st May, 2026 to 30th April, 2031.
- c. **Salary:** ₹ 1,08,62,500/- (Indian Rupees One Crore Eight Lakhs Sixty-two Thousand and Five Hundred) per annum, with such annual increments as may be decided by the Board of Directors from time to time based on the recommendation of the Nomination and Remuneration Committee.
- d. **Perquisites:** As approved by Nomination & Remuneration Committee and Board of Directors of the Company in their respective meetings.

The Managing Director will carry out such duties and exercise such powers as are additionally entrusted to him by the Board of Directors and/ or by the Chairperson. He is further authorised to do all such acts, deeds, things and matters as he may be required or permitted to do as the Managing Director. Further, subject to the supervision of the Board of Directors and subject to the provisions of the Act, Mr. Karan Motwani shall have the power of general conduct and management of the affairs of the Company, except such powers/ acts/ things which can be exercised or done by the

Company in General Meeting or by the Board of Directors at its meeting.

As per Section 197 and other applicable provisions of the Act, the remuneration payable to any one managing director or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director remuneration shall not exceed 10% of the net profits to all such directors and manager taken together and overall managerial remuneration payable to all Directors shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof, unless specifically approved by the Members of the Company under Section 197 read with Schedule V to the Act.

Terms and conditions of appointment of Managing Director, include remuneration and annual incremental thereof, provided such remuneration shall not exceed the limits specified in the Companies Act, 2013 and/ or as specifically approved by the Members of the Company pursuant to Section 197 of the Act read with Schedule V and applicable SEBI Listing Regulations, 2015.

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Director, the payment of remuneration shall be governed by the limits prescribed under Section 197 of the Companies Act 2013 (“the Act”) read with Part II of Schedule V to the Act as specifically approved by the Members of the Company.

The Company has received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying intention to propose the candidature of Mr. Karan Motwani as the Managing Director of the Company, to be re-appointed under the provisions of Section 196 of the Companies Act, 2013.

The Company has received requisite consent and declarations from Mr. Karan Motwani for his re-appointment as required under the Act and rules made thereunder.

Mr. Karan Motwani satisfies all the other conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. Further, Mr. Karan Motwani is not debarred from holding the office of Director pursuant to any Order issued by SEBI or any other authority.

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

This explanatory statement and the resolution at Item No. 6 which outlines the terms and conditions may also be read and treated as disclosure in compliance with the requirement of Section 190 of the Companies Act, 2013.

The Board recommends the resolution set out at Item No. 6 of this 6th AGM Notice relating to the re-appointment of Mr. Karan Motwani as the Managing Director of the Company, not liable to retire by rotation, for approval of the Members of the Company as a Special Resolution.

Pursuant to Regulation 36(3) of SEBI Listing Regulations and Para 1.2.5 of Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India (ICSI), requisite particulars of Mr. Karan Motwani including his profile and specific areas of expertise are given in this AGM Notice as “Annexure 1”.

Save and except Mr. Karan Motwani and his relatives and Mrs. Anjana Motwani & Ms. Nidhi Motwani, Executive Directors of the Company and no other Director(s) or Key Managerial Personnel(s) or their relatives, are in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 7, 8 and 9: To re-appoint Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain for a second term of 5 years.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the following Independent Directors were appointed:

Name of the Director	Date of Shareholders' Approval	Term of Appointment	
		From	To
Mr. Surendra Kumar Mehta	23 rd June, 2021	23 rd June, 2021	22 nd June, 2026
Mr. Ajeet Anant Walavalkar	6 th July, 2021	5 th July, 2021	4 th July, 2026
Mr. Rajendra Kumar Jain	6 th July, 2021	5 th July, 2021	4 th July, 2026

The Nomination and Remuneration Committee (“NRC”) at its Meeting held on 8th August, 2025 on the basis of performance evaluation of Independent Directors and taking into account the external business environment, the business knowledge, acumen, experience and the substantial contribution made by Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain during their tenure, has recommended to the Board that their continued association as Independent Directors of the Company would be beneficial to the Company.

The performance evaluation of Independent Directors were based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, knowledge acquired with regard to the Company's business, understanding of industry and global trends etc.

Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain possess the core skills/expertise/competencies identified in the Companys' business and sectors for it to function effectively. Details of the skills possessed by them are included in the Corporate Governance Report which forms a part of the Annual Report for the financial year ended 31st March, 2025.

Based on the above and the performance evaluation of Independent Directors, the Board at its Meeting held on 8th August, 2025 has recommended the re-appointment of Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain, as Independent Directors of the Company, not liable to retire by rotation, to hold office for a second term, as under:

Name of the Director	Term of Appointment	
	From	To
Mr. Surendra Kumar Mehta	23 rd June, 2026	22 nd June, 2031
Mr. Ajeet Anant Walavalkar	5 th July, 2026	6 th July, 2031
Mr. Rajendra Kumar Jain	5 th July, 2026	6 th July, 2031

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

The Company has received notices in writing from a Member under section 160 of the Act, proposing the candidature of Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain, for the office of Directors of the Company.

Brief resume of Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain, age, qualification, nature of their expertise in specific functional areas, disclosure of relationships between directors inter-se, names of listed entities and other companies in which they hold directorships and memberships/ chairpersonships of Board Committees, shareholding in the Company, the number of Meetings of the Board attended during the year, along with disclosure pertaining to their resignation from listed entities in the past three years, as stipulated under the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India are stated herein and are also provided in the Corporate Governance Report forming part of the Annual Report.

Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain do not hold any Equity Shares in the Company.

The NRC has identified certain skills and capabilities required by the Directors of the Company. The skill sets possessed by Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain are aligned to those identified by NRC and complete details of the same are provided in the Corporate Governance Section of the Annual Report of the Company for the financial year ended 31st March, 2025.

Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain are not disqualified from being appointed as Directors in terms of section 164 of the Act and have given their consent to act as Directors. The Company has received declarations from Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain

stating that they meet the criteria of independence as prescribed under sub-section (6) of section 149 of the Act and the Listing Regulations. Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain are not debarred from holding office of Directors pursuant to any Order issued by the Securities and Exchange Board of India (SEBI) or any other authority.

In the opinion of the Board, Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain, fulfil the conditions for appointment as Independent Directors as specified in the Act and the Listing Regulations and are independent of the management.

The Board is of the view that the knowledge and experience of Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain will be of immense benefit and value to the Company and, therefore, recommends their re-appointment to the Members.

Save and except Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain themselves, and their relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel (“KMP”) of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item Nos. 7, 8 and 9 of the Notice. Mr. Surendra Kumar Mehta, Mr. Ajeet Anant Walavalkar and Mr. Rajendra Kumar Jain are neither inter-se related to each others nor related to any other Director / KMP of the Company.

The Board recommends the Special Resolutions set out at Item Nos. 7, 8 and 9 of the Notice for approval of the Members.

For **HP Adhesives Limited**

Karan Haresh Motwani

Managing Director

DIN: 02650089

Date: 8th August, 2025

Place: Mumbai

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 5TH ANNUAL GENERAL MEETING (PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARDS – 2):

Name of the Director	Mrs. Anjana Haresh Motwani	Mr. Karan Haresh Motwani	Mr. Surendra Kumar Mehta	Mr. Ajeet Anant Walavalkar	Mr. Rajendra Kumar Jain
Brief Profile	Mrs. Anjana Haresh Motwani, with over 40 years of experience in the adhesives industry, is currently designated as the Executive Director & Chairperson of the Company. She holds a Bachelor's degree in Arts (special), a Diploma in Administrative Management from the University of Bombay, and a Diploma in Export Business Management from the Indian International Trade Centre, Bombay. In 1979, she founded M/s. Hindustan Plastics, a sole proprietorship concern for manufacturing solvent cement. Subsequently, she was admitted as a partner to M/s. HP International in 2001. Since 2007, she has been leading the operations of M/s. HP International. Ms. Motwani has been instrumental in the growth and development of the Company.	Mr. Karan Haresh Motwani is currently the Managing Director of the Company. He holds a Bachelor's degree in Management Studies from Narsee Monjee Institute of Management Studies, Mumbai. He has completed a Post-Graduate Programme in Management from S.P. Jain Institute of Management & Research, Mumbai. Admitted to the partnership of M/S. HP International in 2007, Mr. Motwani has been pivotal in growing the business, including the introduction of new products and expansion of the distribution network. He plays a crucial role in devising the Company's growth strategy and executing its vision.	Mr. Surendra Kumar Mehta serves as a Non-Executive & Independent Director of the Company. He is a qualified Chartered Accountant and Company Secretary with over three decades of cross-functional experience in the manufacturing, service, and IT industries. His notable roles include serving as Head of Business Excellence at ACC Limited, Vice President of Finance at iGATE, Chief Financial Officer & Company Secretary at IGE (India) Limited, and General Manager of Projects at Gontermann Peipers India Limited. Additionally, he has served as an Arbitrator on the Arbitration Panel of BSE Ltd.	Mr. Ajeet Anant Walavalkar serves as a Non Executive & Independent director of the Company. He holds a Bachelor's Degree in Electrical Engineering from the University of Poona. His extensive career includes roles as Executive Director at Morris Line Engineering and Chief Operating Officer at Bahwan Engineering Group, Oman. With 37 years of experience at the Bahwan Group, Mr. Walavalkar has garnered significant expertise in international trade and corporate development. He has been a Director on the Company's Board since 5 th July, 2021.	Mr. Rajendra Kumar Jain serves as a Non-Executive & Independent Director of the Company. He holds a Bachelor's degree in Commerce from Rajasthan University and a Master's degree in Commerce, specialising in Business Administration, from Maharshi Dayanand Saraswati University, Ajmer. Additionally, he is a fellow member of The Institute of Company Secretaries of India and holds a Law Degree from the University of Ajmer. Since 2017, Mr. Jain has been the Secretary General of the Mewar Chamber of Commerce & Industry, a recognised divisional chamber of South Rajasthan. With over 18 years of experience as a practising Company Secretary, he has been a Director on the Company's Board since 5 th July, 2021.
Designation	Executive Director	Managing Director	Independent Director	Independent Director	Independent Director
Director Identification Number (DIN)	02650184	02650089	09211358	09226644	00144095
Date of Birth and Age	15 th March, 1956 (69 years)	9 th September, 1985 (39 years)	6 th October, 1963 (61 years)	26 th February, 1963 (62 years)	5 th July, 1966 (58 years)
Date of First Appointment on the Board	7 th May, 2019	7 th May, 2019	23 rd June, 2021	5 th July, 2021	5 th July, 2021

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

Name of the Director	Mrs. Anjana Haresh Motwani	Mr. Karan Haresh Motwani	Mr. Surendra Kumar Mehta	Mr. Ajeet Anant Walavalkar	Mr. Rajendra Kumar Jain
Qualifications	Bachelor's degree in Arts (Special) and a Diploma in Administrative Management from University of Bombay and a Diploma in Export Business Management from Indian International Trade Center, Bombay.	Bachelor's degree in Management Studies from Narsee Monjee Institute of Management Studies, Mumbai and Post-Graduate Programme in Management from S.P. Jain Institute of Management & Research, Mumbai.	Qualified Chartered Accountant and Company Secretary	Bachelor's Degree in Electrical Engineering from the University of Poona	Bachelor's degree in Commerce from Rajasthan University and a Master's degree in Commerce, from Ajmer. Additionally, he is a fellow member of The Institute of Company Secretaries of India and holds a Law Degree from the University of Ajmer.
Experience	More than 40 years	More than 15 years	More than 30 years	More than 36 years	More than 30 years
Expertise in specific functional area	Business Management	<ul style="list-style-type: none">Sales & MarketingProduct research and developmentGeneral Management	<ul style="list-style-type: none">Financial ManagementAccountingTaxation	<ul style="list-style-type: none">EngineeringProduct manufacturing	<ul style="list-style-type: none">Legal & ComplianceAccountingTaxation
No. of Board Meetings attended during FY 2024-25	5 out of 5	5 out of 5	5 out of 5	5 out of 5	5 out of 5
Number of Shares held in the Equity Capital of the Company	2,87,00,675 Equity Shares	2,68,50,000 Equity Shares	Nil	Nil	Nil
Shareholding in the Company as a beneficial owner	Nil	Nil	Nil	Nil	Nil
Directorships held in other Public Limited Companies	None	None	None	None	G R Infraprojects Ltd.
Resignation from the directorship of the listed companies in the past three years	None	None	None	None	None
Memberships / Chairmanships of Committees of Boards in Companies (Including HP Adhesives Limited)	Chairman of Corporate Social Responsibility Committee	Member of Audit Committee	<ul style="list-style-type: none">a. Audit Committeeb. Stakeholder Relationship Committeec. Nomination and Remuneation Committee	Member of Corporate Social Responsibility Committee	<ul style="list-style-type: none">a. Audit Committeeb. Stakeholder Relationship Committeec. Nomination and Remuneation Committee

NOTICE OF THE ANNUAL GENERAL MEETING (CONTD.)

Name of the Director	Mrs. Anjana Haresh Motwani	Mr. Karan Haresh Motwani	Mr. Surendra Kumar Mehta	Mr. Ajeet Anant Walavalkar	Mr. Rajendra Kumar Jain
Remuneration last drawn	Details of remuneration for FY 2024-25 has been provided in the Corporate Governance Report forming part of the Annual Report 2024-25.	Details of remuneration for FY 2024-25 has been provided in the Corporate Governance Report forming part of the Annual Report 2024-25.	Details of sitting fees for FY 2024-25 has been provided in the Corporate Governance Report forming part of the Annual Report 2024-25.	Details of sitting fees for FY 2024-25 has been provided in the Corporate Governance Report forming part of the Annual Report 2024-25.	Details of sitting fees for FY 2024-25 has been provided in the Corporate Governance Report forming part of the Annual Report 2024-25.
Terms & Conditions and details of remuneration proposed	Executive Director liable to retire by rotation	Mentioned in the explanatory statement to the resolution	Re-appointment as an Independent Director for a second consecutive term commencing from 23 rd June, 2026 to 22 nd June, 2031, not liable to retire by rotation.	Re-appointment as an Independent Director for a second consecutive term commencing from 5 th July, 2026 to 6 th July, 2031, not liable to retire by rotation.	Re-appointment as an Independent Director for a second consecutive term commencing from 5 th July, 2026 to 6 th July, 2031, not liable to retire by rotation.
Disclosure of relationships between Directors/ KMP inter-se	Mrs. Anjana Haresh Motwani, Chairperson and Executive Director, is the mother of Ms. Nidhi Motwani, Executive Director, and Mr. Karan Motwani, Managing Director of the Company.	Mr. Karan Motwani, Managing Director of the Company is son of Mrs. Anjana Haresh Motwani, Chairperson and Executive Director, and brother of Ms. Nidhi Motwani, Executive Director.	None	None	None

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HP Adhesives Limited

CIN: L24304MH2019PLC325019

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