

HP ADHESIVES PRIVATE LIMITED

ANNUAL REPORT FY 2019-20

CERTIFIED TRUE COPY

For HP ADHESIVES LIMITED


MANAGING DIRECTOR

CERTIFIED TRUE COPY

For HP ADHESIVES LIMITED

MANAGING DIRECTOR

HP ADHESIVES PRIVATE LIMITED
Regd. Office: 11, Unique House, Chakala Cross Road,
Andheri (East), Mumbai-400099
CIN: U24304MH2019PTC325019, Tel- +912228324739,
Email: -accounts@hpint.in

BOARD'S REPORT

To,
The Members,
HP ADHESIVES PRIVATE LIMITED
11, Unique House, Chakala Cross Road,
Andheri (East), Mumbai-400099

Your Directors have the pleasure in presenting their 1st Annual Report on the business and operations of the Company and the Audited Financial statements for the Financial Year ended **March 31, 2020**.

1. Financial summary or highlights/Performance of the Company

Particulars	(in Rs.)
Revenue from Operations & Other Income	2019-2020
Operating Cost	875806100
Operating Profit/ PBDIT	788032350
Finance Charges	87773750
Depreciation & Amortization Expenses	23739447
Profit Before Exceptional, Extra Ordinary Items & Taxes	9444749
Exceptional Items	54589554
Profit/Loss Before Tax & Extra Ordinary Items	0
Extra Ordinary Items	54589554
Profit Before Tax (PBT)	74371493
Current Taxes	-19781939
Deferred Taxes	0
Profit After Tax (PAT)	-1310960
	-21092898

2. Operational Review

The Company was incorporated by way of conversion of partnership firm vide Chapter XXI of Companies Act 2013 on 07.05. 2019. The financial represent the working from the date of incorporation /conversion i.e. 07.05.2019 till the year end. During the year under review, your Company has posted Loss of Rs. **21092898** as this is the first year of operation due to various operational setup's, the company is unable to earn profits. Your directors are hopeful for the bright future of the company in the years to come.

3. Extension of Time for Holding Annual General Meeting

The Ministry of corporate affairs dated 08 September 2020 have extended the last date of holding Annual general Meeting up to 31st December, 2020. Due to COVID Situation, The Company have extended the period for holding the Annual General Meeting.

4. Change in the nature of business, if any

There is no change in the nature of business of the company during the year 2019-2020.

5. Web Link of Annual Return, If any

The Company doesn't have any website. Therefore, no need to of publication of Annual Return.

CERTIFIED TRUE COPY

For HP ADHESIVES LIMITED

[Signature]
MANAGING DIRECTOR

6. Dividend

The company does not recommend any dividend during the financial year.

7. Reserves

The company has transferred the Loss of Rs. 2,10,92,898/- to Reserves during the financial year.

8. Share Capital

The Company was incorporated by way of conversion of partnership firm vide Chapter XXI of Companies Act 2013 on 07.05.2019

Authorized Share Capital

The Authorized Share Capital of your Company was increased from Rs. 1,00,000 (Rupees One Lakh only) to Rs.13,00,00,000/- (Rupees Thirteen Crores Only) during the year under review. Consequent to the above, the Authorized Share Capital of your Company as on March 31, 2020 stood at Rs.13,00,00,000/- (Rupees Thirteen Crores Only) divided into 1,30,00,000 (One Crores Thirty Lakh) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each.

Further issue of Share Capital

Equity Shares are issued consequent to conversion of Partnership Firm to Company formed as per provisions of Part I of Company XXI of Companies Act, 2013. Wherein Partners of firm has subscribed to Equity Shares of the Company.

During the year under review, your Company made the allotments on Rights Basis:

- Allotment of 12,990,000 equity shares of the face value of Rs. 10/- each at par aggregating to Rs. Rs. 1,29,900,000/-.

Consequent to the above allotments, the issued, subscribed and paid-up share capital of your Company as on 31st March 2020 stood at Rs.13,00,00,000/- (Rupees Thirteen Crores Only) divided into 1,30,00,000 (One Crores Thirty Lakh) Equity Shares of the face value of Rs. 10/- (Rupees Ten Only) each.

ALTERATION OF MEMORANDUM OF ASSOCIATION

The Share Capital Clause of the Memorandum of Association ("MOA") of your Company was altered in order to reflect increase in Authorized Share Capital from Rs. 1,00,000 to Rs. 1,30,00,000.

ALTERATION OF ARTICLES OF ASSOCIATION

The Authorised Share Capital as stated in the Articles of Association ("AOA") of your Company was altered to make it consistent with the capital clause viz. Clause V (a) of MOA of the Company.

9. Directors

Mrs. Anjana Haresh Motwani (DIN: 02650184) and Mr. Karan Haresh Motwani (DIN: 02650089) are the existing directors of the company.

10. Meetings

The board of directors of the company met 10 times during the year in respect of which proper notice were given and the proceeding were properly recorded assigned and maintained in the minutes book kept by the company for the purpose. The intervening gap between the meetings was within the period prescribed under the companies act, 2013 During the year 2019-20, Ten Board Meetings were held-

S. NO.	DATE
1	08/05/2019
2	27/05/2019
3	29/06/2019
4	27/07/2019
5	31/07/2019
6	08/08/2019
7	23/09/2019
8	19/10/2019
9	24/12/2019
10	14/03/2020

11. Auditors

(a) Statutory Auditor

Subject to the approval of shareholders in the Annual general meeting the Board has proposed the appointment of M/s. Priya Choudhary & Associates, Chartered Accountants (FRN: 011506C) as a statutory Auditor of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 6th Annual General Meeting at such remuneration as may be mutually agreed between the Company and the Auditors. The Company Received a Certificate from M/s Priya Choudhary & Associates, Chartered Accountants, the statutory Auditor to the effect that their appointment, if made, would be in accordance with the provision of section 141 of companies act, 2013.

(b) Cost Auditor

The requirement of Central Government and pursuant to Section 148 of Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, are not applicable on the company. Therefore, requirement of cost auditor is not applicable.

(c) Secretarial Audit

The requirement of obtaining a Secretarial Audit Report from the practicing company secretary is not applicable to the company.

12. Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

13. Details of Fraud Report By Auditor:

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

14. Risk management policy

The Company being a Private Limited Company, hence it is not under the purview for constituting Risk management Committee under the provisions of listing agreement.

The Company has framed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company.

15. Extract of Annual Return

As required pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE A**.

16. Material changes and commitments affecting the financial position

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate & on the date of this report.

17. Details of significant and material orders passed by the regulators or courts or tribunals

There are no significant and material orders passed by the regulators or courts or tribunals which would impact the going concern status and company's future operations.

18. Compliance with Secretarial Standards

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standard and that such systems are adequate and operating effectively.

19. Declaration by Independent directors

The Company was not required to appoint Independent Directors under Section 149(4) and Rule 4 of the companies (Appointment and Qualification of Directors) Rule, 2014 hence no declaration has been obtained.

20. Company Policy on Director's Appointment and Remuneration including criteria for determining Qualification, Positive attributes, Independence of a Director and other matters provided under sub section (3) of section 178

The Company being a private company was not required to constitute a Nomination and Remuneration Committee under section 178(1) of the companies act,2013 and Rule 6 of the companies (Meeting of Board and its Powers) Rules,2014 and Stakeholder Relationship Committee under section 178(5) of the Companies Act,2013.

21. Vigil Mechanism

The Provisions regarding Vigil Mechanism as provided in section 177 (9) of the Companies Act,2013 read with rule framed there under are not applicable on the Company.

22. Internal Control Systems

The Company's internal control systems are adequate and commensurate with the nature and size of the company and it ensures:

- Timely and accurate financial reporting in accordance with applicable accounting standards.
- Optimum utilization, efficient monitoring, timely maintenance and safety of its asset.
- Compliance with applicable laws, regulations and management policies.

23. Deposits

- The Company has not accepted any Deposit in terms of Section 73 of the Companies Act, 2013 during the year.

24. Particulars of loans, guarantees or investments under section 186

The Company has not given any loans, provides any guarantee/security or made any investments as per Section 186 of the Companies Act, 2013.

25. Particulars of contracts or arrangements with related parties

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis. During the year, the Company has not entered into any contract /

arrangement / transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions.

26. Subsidiary, Associate Companies and Joint Ventures

The Company does not have any subsidiary company, joint venture or Associate company.

27. Conservation of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo: As per attached Annexure-B.

28. Directors' Responsibility Statement

In pursuance to Section 134(3) (c) of the Companies Act, 2013, your Directors confirms that—

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had 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 the state of affairs of the company as at 31st March, 2020 and of the profit of the company for the year ended on that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis.
- (e) the Company being unlisted, Clause pertaining to laying down internal financial control is not applicable to the Company.

29. Corporate Social Responsibility

As per the provisions of Section 135 of the Companies Act, 2013 Corporate Social Responsibility is not applicable to the Company.

30. Disclosure under the Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013

During the year under review, no complaints were received by the Company relating to sexual harassment at workplace. The management of the Company endeavors to provide safe environment for the female employees of the Company. The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013.

31. Acknowledgements

The directors place on records their sincere appreciation for the assistance and co-operation extended by, its employees and all other associates and look forward to continue fruitful association with all business partners of the company.



Karan Haresh Motwani
Director
DIN- 02650089

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



Anjana Haresh Motwani
Director
DIN-02650184

Place: Mumbai
Date: 26.12.2020

Annexure A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN	U24304MH2019PTC325019
2. Registration Date	07/05/2019
3. Name of the Company	HP ADHESIVES PRIVATE LIMITED
4. Category/Sub-category of the Company	Category- Company Limited by Shares Sub-Category- Non-Government Company
5. Address of the Registered office & contact details	11 UNIQUE HOUSE, CHAKALA CROSS ROAD, ANDHERI EAST, MUMBAI 400099, MAHARASHTRA Contact No.- 09619422086, Email: - accounts@hpint.in
6. Whether listed company	No
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of gelatin and gelatin derivatives, glues of animal origin, prepared glues and other prepared adhesives including adhesives based on rubber or plastics	24295	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S N	Name and Address of the Company	CIN/GLN/	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
			NA		

C) Change in Promoters' Shareholding:

SN	Shareholding of each Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anjana Haresh Motwani				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year	6630000	51.00	-	-
	At the end of the year	6630000	51.00	-	-
2.	Karan Haresh Motwani				
	At the beginning of the year	0	0	-	-
	Increase / Decrease in Shareholding during the year	6370000	49.00	-	-
	At the end of the year	6370000	49.00	-	-

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
NIL					

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anjana Haresh Motwani				
	At the beginning of the year	0	0	0	0
	Increase / Decrease in Shareholding during the year	6630000	51.00	-	-
	At the end of the year	6630000	51.00	-	-
2.	Karan Haresh Motwani				
	At the beginning of the year	0	0	-	-

Increase / Decrease in Shareholding during the year	6370000	49.00	-	-
At the end of the year	6370000	49.00	-	-

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	257169362	87439676	-	344609038
* Reduction	-	-	-	-
Net Change	257169362	87439676	-	344609038
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	257169362	87439676	-	344609038
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	257169362	87439676	-	344609038

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SNo.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Anjana Haresh Motwani	Karan Haresh Motwani	
1	Gross salary	2000000	3000000	5000000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	Stock Option			
3	Sweat Equity			

4	Commission -as % of profit - others, specify...			
5	Others, please specify			
	Total (A)			
	Ceiling as per the Act	2000000	3000000	5000000

B. Remuneration to other directors

SNo.	Particulars of Remuneration	Name of Directors	Total Amount
		-	-
1	Independent Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors	-----NIL-----	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act	--	--

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
4	Commission				
	- as % of profit				
	others, specify...				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

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



Karan Haresh Motwani
Director
DIN- 02650089



Anjana Haresh Motwani
Director
DIN-02650184

Place: Mumbai
Date: 26.12.2020

ANNEXURE-B

CONSERVATION OF ENERGY

Conservation of energy is very high priority area for the company. The efforts are continuing to examine and implement fresh proposals for conservation of energy and minimize its use by regularly monitoring consumption and improved maintenance of the existing systems.

FORM A

	Particulars	Current Year 2019-20
A.	POWER AND FUEL CONSUMPTION	
1.	Electricity:	
	a. Purchased	
	Units. (No's) (KWH).	413,581
	Total Amount (Rs.)	52,99,507/-
	Rate/Unit (Rs.)	12.81/-
	b. Own Generation	
	Through Diesel Generator	
	Units. (KWH)	-
	Units/Ltrs. In Diesel Oil	
	Total Amount (Rs.)	-
	Cost/Unit (Rs.)	-
2.	Steam Coal & Lignite	-
	Qty (In M.Ton)	-
	Total Cost (In Rs.)	-
	Avg. Rate/ per M.Tone (In Rs.)	-
B.	CONSUMPTION PER UNIT:	
1.	Own Production (Ltrs/Kgs/Qty)	86,00,043
	Production for Outside (Ltrs/Kgs/Qty)	-
	Total Mtrs.	86,00,043
2.	Technology Absorption	
3a)	Foreign Exchange Earning	15,12,79,415/-
b)	Outgo	8,36,61,190/-



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

Karan Haresh Motwani *Anjana Haresh Motwani*

Karan Haresh Motwani Director
DIN- 02650089

Anjana Haresh Motwani Director
DIN-02650184

Place: Mumbai
Date: 26.12.2020



Priya Choudhary & Associates
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
HP ADHESIVES PRIVATE LIMITED
(CIN No. U24304MH2019PTC325019)

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of **HP ADHESIVES PRIVATE LIMITED** which comprise the Balance Sheet as at March 31, 2020 and the Statement of Profit and Loss, Statement of Cash Flow Statement for the year then ended, and a Notes to the Financial Statements, including summary of significant 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 financial statements give the information required by the Companies Act, 2013 ("the 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 2020, and losses and its cash flows for the year ended on that date.

Basis of Opinion

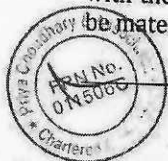
We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Audit Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Directors' report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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Chartered Accountants

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.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India including the accounting standard, specified under Section 133 of the Act and rules made thereunder, as applicable.

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 design, implementation and maintenance of adequate internal financial controls with reference to financial statements that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 and Board of Directors are 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 are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for Audit on Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 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



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Chartered Accountants

- 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 but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls with reference to 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India 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, to the extent applicable.

(A) 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 purpose 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;
- c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.



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Priya Choudhary & Associates
Chartered Accountants

- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with relevant rules issued thereunder.
- e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) In terms of notification G.S.R. 583(E) dated 13th June 2017, issued by Ministry of Corporate Affairs, reporting as required under section 143(3)(i) of the act is not applicable to the company.
- g) Company is formed by conversion of Partnership firm in accordance with provisions of Part I of Company XXI of Companies Act, 2013.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16): In our opinion and according to the information and explanations given to us, the provisions of Section 197(16) of the Act is not applicable to the company.

For Priya Choudhary & Associates
Chartered Accountants
FRN No. 011506C



(Vaibhav Choudhary)

Partner

M.No. 407543

Place: Mumbai

Date: 26/12/2020

UDIN : 21407543AAAAAP4325



Priya Choudhary & Associates

Chartered Accountants

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

With reference to the Annexure A (Referred to in paragraph 1 under, Report on Other Legal and Regulatory Requirements' section of Independent Auditors' Report on financial statements of even date) to the members of the Company on the financial statements for the year ended 31 March 2020, we report the following:

S.No.	Particulars	Auditors Remark
	FIXED ASSETS	
(i)	(a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	Company is formed by conversion of Partnership firm in accordance with provisions of Part I of Company XXI of Companies Act, 2013. Wherein all the existing Tangible & Intangible Assets & all Current & Contingent liabilities as on date of conversion will form part / taken over by the Company. Existing Records as maintained by Partnership firm are being recorded in Company, showing full particulars, including quantitative details and situation of fixed assets;
	(b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
	(c) Whether the company holds title of immovable property held by the company, If not provides the details thereof;	The Title deeds of immovable properties, if any, are not held in the name of the company as the Land is in the name of directors and the same has been provided Rent free to the Company. On the event of conversion, existing Tangible & Intangible Assets as on date of conversion formed part/taken over by the Company. Still some assets are still in the name of erstwhile Partnership Firm. Same are under process for change of name/title.
	INVENTORY	
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and if discrepancies has	The management has conducted the physical verification of inventory at reasonable intervals. The discrepancies noticed on physical verification of the inventory as compared to



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Priya Choudhary & Associates
Chartered Accountants

	been notices are properly dealt with or not.	books records which has been properly dealt with in the books of account were not material.
	LOANS	
(iii)	(a) Whether the company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	As per the information provided to us; Company has not granted any such loans.
	(b) Whether the schedule of repayment is stipulated, whether the repayment is regular or not;	Regular
	(c) Whether the term and conditions of the grant of such loan are prejudicial to the interest of the company;	N/A
	(d) If the amount is overdue, then state the amount over due for more than 90 days and what steps company has followed;	As per the information provided to us; company and as per documents checked by us there is no overdue amount during the auditing period.
	PROVISION OF SECTION 185 AND 186 OF THE COMPANIES ACT, 2013, Compliance	
(iv)	In respect of loans, investments, guarantees, and security whether provision of section 185 and 186 of the Companies Act, 2013 have been complied with, if not, provide the detail thereof;	In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act In respect of loans, investments, guarantees, and security.
	DEPOSITS	
(v)	In case the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	According to the information and explanations provided to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2014 with regard to the deposits accepted from the public are not applicable. Hence, accordingly paragraph 3(v) of the Order is not applicable to the Company. Subject to conversion of Partnership Firm to Company, balance lying under Capital Balances of Partners in Firm has be transferred to the Share Subscription of the Company for Rs. 13.00 Cr & balance amount is transferred to Unsecured Loans from Promoters in the

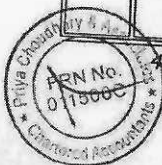


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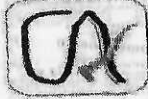


Priya Choudhary & Associates
Chartered Accountants

		Company on same terms as prevailing in partnership firm.
	MAINTENANCE OF COST RECORDS	
(vi)	Where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	As informed to us, being the first year, the maintenance of Cost Records is not applicable to the company under sub-section (1) of Section 148 of the Act.
	STATUTORY DUES	
(vii)	(a) Is the company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	<p>a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted /accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities</p> <p>b. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.</p> <p>c. 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.</p>



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Priya Choudhary & Associates
Chartered Accountants

	Name of the Statue	Nature of Dues	Amount in Lakh	Forum where Dispute is Pending	Financial Year	Remarks
	MVAT	Order passed by DY Commissioner ST, Mumbai	73.60	JC Appeals	2014-15	Paid under Protest Rs.4.44 Lac. Stay Granted
	CST		35.63	JC Appeals	2014-15	Paid under Protest Rs.2.19 Lac. Stay Granted
	MVAT	Order passed by DY Commissioner ST, Mumbai	23.23	JC Appeals	2015-16	Paid under Protest Rs.1.46 Lac. Stay Granted
	CST		11.84	JC Appeals	2015-16	Paid under Protest Rs.7.78 Lac. Stay Granted
	(b) In case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).			Subject to above para as per the records, information and explanation provided to us no such cases were noticed during the audit period.		
	DEFAULT IN REPAYMENT OF DUES TO FINANCIAL INSTITUTIONS & DEBENTURE HOLDERS					
(viii)	Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;			In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.		
	UTILIZATION OF END USE OF MONEY RAISED THROUGH IPO AND DEBT INSTRUMENT					
(ix)	Whether money raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purpose for which those are raised, If not , the			Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised Fresh Money by way of Private Placement subject to conversion of Partnership firm to company in		



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Chartered Accountants

	details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	accordance with provisions of Part I of Company XXI of Companies Act, 2013. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
	FRAUD	
(x)	Whether any fraud by the company or officers or employees has been noticed the nature and the amount involved is any fraud on the Company by its or reported during the year; If yes, to be indicated.	Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
	MANAGERIAL REMUNERATION	
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	Since the Company is Private Limited Company, provisions of Section 197 of the Act are not applicable to it. Therefore, paragraph 3(xi) of the Order is not applicable
	NIDHI COMPANY	
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1:20 to meet out the liability and whether the Nidhi Company is maintaining ten percent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liabilities:	In our opinion, the company is not a Nidhi Company. Therefore, the paragraph 3(xii) of the Order is not applicable to the company.
	RELATED PARTY TRANSACTION	
(xiii)	Whether all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc, as required by the applicable accounting standards:	According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.



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PREFERENTIAL ALLOTMENT OR PRIVATE PLACEMENT OF SHARES OR FULLY OR PARTLY CONVERTIBLES DEBENTURES		
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertibles debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance:	Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any New/Fresh Preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
NON- CASH TRANSACTIONS WITH DIRECTORS OR PERSONS CONNECTED WITH HIM		
(xv)	Whether the company has entered into any non- cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with:	Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
REGISTRATION UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934		
(xvi)	whether the company is required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	According to the information and explanations given by the management, the company is not required to be registered under 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Priya Choudhary & Associates
Chartered Accountants
FRN No. 011506C

(Vaibhav Choudhary)

Partner

M.No. 407543

Place : Mumbai

Date: 26/12/2020

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E-Mail: vaichoudhary@gmail.com, sarvesh@pcassociatesmumbai.com

HP ADHESIVES PRIVATE LIMITED

(CIN:U24304MH2019PTC325019)

Regd office : 11 UNIQUE HOUSE, CHAKALA CROSS ROAD, ANDHERI EAST, MUMBAI Mumbai City MH 400099

BALANCE SHEET AS AT 31st March, 2020

Particulars	Note No.	As at 31st March, 2020
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	2	13,00,00,000
(b) Reserves and surplus	3	-2,10,92,898
(c) Money received against share warrants		-
2 Share application money pending allotment		-
Total Equity (A)		10,89,07,102
3 Non-current liabilities		
(a) Long-term borrowings		
(b) Deferred tax liabilities (net)	4	9,52,09,151
(c) Other long-term liabilities	5	13,10,960
Total Non-Current Liabilities (B)		9,65,20,110
4 Current liabilities		
(a) Short-term borrowings		
(b) Trade payables	6	24,93,99,888
(c) Other current liabilities	7	15,99,83,545
(d) Short-term provisions	8	1,02,51,948
Total Current Liabilities (C)	9	-
TOTAL EQUITY & LIABILITIES (A+B+C)		41,96,35,381
B ASSETS		62,50,62,593
1 Non-current assets		
(a) Fixed assets		
(i) Tangible assets		
(ii) Intangible assets		
(iii) Capital work-in-progress	10	9,50,41,412
(iv) Intangible assets under development		14,75,781
(v) Fixed assets held for sale		1,19,90,822
(b) Non-current investments		-
(c) Deferred tax assets (net)		48,10,845
(d) Long-term loans and Advances		-
(e) Other non-current assets	11	94,31,133
Total Non-Current Assets (A)		12,27,49,993
2 Current assets		
(a) Current investments		
(b) Inventories		
(c) Trade receivables	12	18,52,02,932
(d) Cash and cash equivalents	13	29,01,18,336
(e) Short-term loans and advances	14	69,53,866
(f) Other current assets	15	1,44,09,633
Total Current Assets (B)	16	56,28,832
TOTAL ASSETS (A+B)		50,23,12,600
Significant Accounting policies & the Accompanying notes forming Integral part of the financial statements	1	62,50,62,593

Disclosures & Additional Informations

In terms of our report of Even Date Attached

For Priya Choudhary & Associates**Chartered Accountants**

FRN NO. 0115066

FRN No. 011506C

(Vaibhav Choudhary)
Partner

M. NO. 407543

Place : Mumbai

Date : 26/12/2020

UDIN NO : 21407543AAAAAP4325

Kirti Agarwal
Kirti Agarwal
(M.No. A56426)
(Company Secretary)For and on behalf of the Board of
Directors
HP Adhesives Private LimitedKaran Haresh Motwani
Director
(Din No.02650089)Anjana Haresh Motwani
Director
(Din No.02650184)

HP ADHESIVES PRIVATE LIMITED

Statement of Profit and Loss for the Period from 07.05.2019 to 31.03.2020

Sr. No.	Particulars	Note No.	For the year Period ended 31st March, 2020
A	CONTINUING OPERATIONS		
1	Revenue from Operations (Net)	17	85,31,11,336
2	Other income		2,26,94,764
	Total Income (1+2)		87,58,06,100
3	Expenses		
	Cost of materials consumed		58,73,52,663
	Purchases of stock-in-trade	18	-4,65,71,613
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	8,18,42,003
	Employee benefits expense	20	2,37,39,447
	Finance costs	10	94,44,749
	Depreciation and Amortisation expense	21	16,54,09,297
	Other expenses		
	Total Expenses		82,12,16,546
4	Profit before Exceptional items & Tax		5,45,89,554
7	Extraordinary items	22	7,43,71,493
8	Profit / (Loss) before Tax		-1,97,81,939
9	Tax expense:		
	Current Tax		-
	Earlier Tax	5	-13,10,960
	Deferred Tax		-2,10,92,898
10	Profit / (Loss) from continuing operations		NIL
B	Profit / (Loss) from Discontinuing operations, if any		-2,10,92,898
C	PROFIT/(LOSS) FROM TOTAL OPERATIONS		

In terms of our report of Even Date Attached
For Priya Choudhary & Associates
Chartered Accountants
FRN NO. 011506C

(Vaibhav Choudhary)
Partner
M. NO. 407543
Place : Mumbai
Date : 26/12/2020

Kirti Agarwal
(M.No. A56426)
(Company Secretary)

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

Karan Haresh Motwani
Director
(Din No.02650089)

Anjana Haresh Motwani
Director
(Din No.02650184)

HP ADHESIVES PRIVATE LIMITED

(CIN:U24304MH2019PTC325019)

Cash Flow Statement for the year ended 31st March, 2020

Particulars	For the year ended 31st March, 2020
A. Cash flow from operating activities	
Net Profit / (Loss) Before Tax From Continuing Operations	(1,97,81,939)
Add / (Less):	
Depreciation and amortisation on property plant and equipment	94,44,749
Interest income	(5,03,197)
Interest expense	2,37,39,447
Provision for Income Tax	
Working capital adjustments:	
Decrease / (increase) in inventory	(18,52,02,932)
Decrease / (increase) in trade receivables	(29,01,18,336)
(Decrease) / increase in trade payables	15,99,83,545
(Decrease) / increase in other liabilities	1,02,51,948
Decrease / Increase in short term advances	(1,44,08,633)
Decrease / Increase in current assets	(56,28,832)
Cash Generated from Operations	(31,22,24,181)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	(31,22,24,181)
B. CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of property plant and equipment and intangible assets	(11,79,52,764)
Interest received (finance income)	5,03,197
(Purchase)/sale of investments	(48,10,845)
Increase in Long Term Advances	(94,31,133)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES	(13,16,91,545)
C. Cash flow from Financing Activities	
Proceeds from share capital	13,00,00,000
Proceeds from Long Term Borrowing	9,52,09,151
Net proceeds / (repayment) of short term borrowings	24,93,99,889
Interest paid	(2,37,39,447)
NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES	45,08,69,593
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	69,53,866
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the year end of the year	69,53,866
Cash and cash equivalents as per the above comprise of the following:	
Cash Balance	19,98,821
Bank balances in Current Accounts	49,55,045

Notes:

(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.

(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

See accompanying notes forming part of the financial statements

In terms of our report of Even Date Attached

For Priya Choudhary & Associates

Chartered Accountants

FRN NO. 011506C

FRN NO. 011506C

(Vaijhay Choudhary)

Partner

M. NO. 407543

Place : Mumbai

Date : 26/12/2020

Kirti Agarwal

Kirti Agarwal

(M.No. A56426)

(Company Secretary)

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

Karan Haresh Motwani

Director

(Din No.02650089)

Anjana Haresh Motwani

Director

(Din No.02650184)

HP ADHESIVES PRIVATE LIMITED
(Annual Report-2019-2020)

Note : 1 : 'NOTES TO THE STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

1 Corporate information/ Overview

Company is formed by conversion of Partnership firm in accordance with provisions of Part I of Company XXI of Companies Act,2013. Wherein all the existing Tanagible & Intangible Assets & all Current & Contingent liabilities as on date of conversion will form part / taken over by the Company.

Company is incorporated with the Main Object Clause as of erestwile merged partnership firm M/s HP International wherein company is enganed in Manufacturing, Trading, Import & Export business of Chemicals, Plastic, Colours, Solvent Adhesives, Sealents & other allied activities. Company is continuing existing business under the brand of HP INTERNATIONAL.

Date of Conversion of Partnership firm to Company is 07.05.2019.

2A SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), on an accrual basis of accounting under the historical cost convention. The financial statements comply in all material respects with the Accounting Standards as specified in an Annexure to the Companies (Accounting Standards) Rules, 2006 (as amended) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as per Notification No. G.S.R. 111(E) issued under section 133 of the Companies Act, 2013.

Historical Cost Conversion :

The financial statements have been prepared on accrual basis under the historical cost convention . The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Certain financial assets & liabilities that are measured at fair values.

Recent Accounting Pronouncements:

Ministry of Corporate Affairs (MCA) through Companies (Indian Accounting Standards) Amendments Rules,2018 has notified the following new amendments to Ind Ass which is not applicable to Company.

2.2 Current Versus Non-Current Classification :

All assets and liabilities have been classified and disclosed as current or non-current as per Companies normal operating cycle and other criteria's set out in the schedule III to the Act. The Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities. The Company's management has classified Assets & Liabilities in the Balance Sheet as Current & Non-Current Assets.

Deferred Tax Assets/Liabilities if any are classified as non-current assets & liabilities.



For HP ADHESIVES PVT. LTD.

KM Motwani
Director

Note : 1 : 'NOTES TO THE STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

2.3 Revenue Recognition :

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company & the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured as fair value of the consideration received or receivable, taking into account contractually defined terms of payment & excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory & credit risks.

Revenue on Sales of goods is recognized only on passing of possession & title of goods/property which generally coincides with delivery. Expenditure is recognized as & when accrues.

Revenue on rendering of services is recognised when the performance of agreed contractual task has been completed.

Interest Income financial assets is recognised during effective interest rate method.

2.5 Government Grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When grant relates to expense item, it is recognised as income on systematic basis over the period of related cost for which it is intended to compensate are expensed. When grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Government grants such as sales tax incentive, export benefit schemes are recognised in the Statement of Profit & Loss as a part of other operating revenues whereas grants related to royalty power incentives & interest subsidies are netted off from the related expenses.

Management as provided the details of calculation of various government grants same has been taken as such , hence actual realisation of grants may vary at time of final receipt to be received in due future period.

2.6 Taxes on Income

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provision are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) paid in accordance with the tax Laws, which give rise to future economic benefits in the form of Tax Credit against future income tax liability, is recognized as an asset in the balance sheet if there is convincing evidence that the company will pay normal tax after the tax holiday period and the resultant asset can be measure reliably. The Company offsets, on a year on year basis, the current tax assets & Liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on the net basis.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation & establishes provisions where appropriate.



For HP ADHESIVES PVT. LTD.

K. M. Mohan
Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Note : 1 : 'NOTES TO THE STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) paid in the year is charged to the statement of Profit & Loss account as current Tax for the year.

The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss as credit in current tax expense and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.



For HP ADHESIVES PVT. LTD.

[Signature]
Director

HP ADHESIVES PRIVATE LIMITED*(Annual Report-2019-2020)***Note : 1 : 'NOTES TO THE STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020****2.7 Property, Plant & Equipments**

Freehold land is carried at Historical cost. All other items of Property, Plant & Machinery are stated at Acquisition Cost, net of recoverable taxes, trade discount & rebates less accumulated depreciation & impairment losses, if any. Such Acquisition Cost includes Purchase Price, Borrowing Cost & any other cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts & adjustments arising from exchange rate variations attributable to the assets.

Property, Plant & Equipments which are not ready for intended use as on the date of Balance Sheet are disclosed as Capital Work in Progress.

Spare parts, stand-by equipment & servicing equipment are recognised as property, plant & equipment if they are held for use in the production or supply of goods or services for rental to others or for administrative purposes & are excepted to be used more than one period.

Depreciation is calculated on SLM pro-rata basis from the date of acquisition/installation till date of assets are sold or disposed off or year end.

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

The management has estimated the above useful life . The Residual values, useful lives & method of depreciation of assets are reviewed at each financial year end & adjusted prospectively, if appropriate.

Individual Assets acquired for less than Rs.5000/- are entirely depreciated in the year of acquisition.

Useful life elapsed in past period under Partnership firm also considered .

Capital Work- In Progress & Incidental Expenditure during the Construction- Pending Allocation

All Direct Expenses incurred for acquiring, erecting, Pre Completion interest Cost , Salaries & commissioning of fixed assets previously shown under capital work in progress/ Preoperative Expense pending allocation are allocated to respective fixed assets during the period. There is No addition to Capital WIP during the Year.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible Assets : Nil in case of Company

Intangible assets if any with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Cost of software capitalised is amortised over its useful life which is estimated to be a period of six years.



For HP ADHESIVES PVT. LTD.

KM Dhanu
Director

Note : 1 : 'NOTES TO THE STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

2.9 Investment properties : NIL in current period.

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

2.10 Borrowing Costs :

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Inventories

The valuation of inventories have been taken as under

- (a) Raw Material: At Cost
- (b) Stores & Spares: At Cost
- (c) Work in process: At Cost(Direct manufacturing Expenses incurred) or net Realisable Value wherever Possible, whichever is Lower
- (d) Finish Goods: At lower of Cost or net Realisable Value whichever is lower
- (e) Waste Stock/Scrape: At Estimated realisable Value
- (f) Traded goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Opening Inventories are transferred as such on same valuation from the partnership firm to company upon conversion of firm to company.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete Inventories has been reduced from valuation of Inventories as on Balance Sheet date.

Events Occurred after Balance Sheet incorporated in Auditor Report includes event of loss of Stock on account of natural disaster (Cyclone) occurred at Factory Premises of Company in month of April,2020 wherein certain loss was incurred to stock lying at factory, same has been worked out by the company and reduced from Valuation of Inventory as on 31.03.2020 due to damaged & non salable inventory. Damaged Inventory worked out for Rs.50 Lakh approx for which company has filled claim against Insurance Company, which is pending for finalisation.

2.12 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment loss of continuing operations, including impairment on inventories is recognised in the statement of profit and loss.

2.13 Provisions, Contingent Liabilities and Contingent Assets

- a) Provisions are recognized when the Company recognizes that it has a present obligation as it is more likely
 - b) Disclosures for contingent liability is made when there is a possible obligation or a present obligation but
- Contingent Liabilities**
- | | |
|---------------------------------------|-------|
| Corporate Guarantee given to banks | - Nil |
| In respect to any pending Litigations | - Nil |
- c) Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.
 - d) Contingent assets are not recognized in the financial statements.



For HP ADHESIVES PVT LTD.

K. Motwani
Director

Note : 1 : 'NOTES TO THE STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

2.14 Employee Benefits : The Company doesn't follow any practice of payment of gratuity to the Employees

a) Short Term Employee Benefit

All employee benefits which fall due wholly within twelve months after the end of the period in which employee renders the related service are classified as short-term employee benefits. Undiscounted value of short term benefits such as salaries and wages are recognised in the period in which the employee renders the related service.

b) Post Employment Benefit

(i) The Company contributes to the Employee's Provident Fund Scheme. The Company's contribution paid/payable under the scheme is recognized as an expense in the Statement of Profit and Loss Account during the period in which the employee renders the related service.

(ii) Defined Benefit Plan :

Company has not gone for actuarial valuation during the period.
Provision for gratuity is prepared on actual basis and not on actuarial basis.

c) Other long term employee benefits :

Expenses in respect of long-term compensated absences are recognised not provided by the Company same will be recognised on an actual basis and not on actuarial basis.

Leave Encashment

Provision for leave encashment is prepared on actual basis and not on actuarial basis.

2.15 Foreign Currencies

- a) Foreign Currency transaction are recorded in the reporting currency by applying to the currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- b) Current assets & liabilities are converted at the closing rate and the resulting exchange differences are recognised in the statement of Profit & Loss.
- c) Gains & Losses on the settlement of the transactions within the same accounting year have been recognised in the Statement of Profit & Loss of the year.
- d) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts if any and derivative financial instruments if any.



For HP ADHESIVES PVT. LTD.

KM Sharma
Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Note : 1 : 'NOTES TO THE STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there

is a currently enforceable legal right it to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2B SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

1 The preparation of the Company's separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

2 Estimates and assumptions

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. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3 Useful Lives of Property, Plant & Equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets. See Note 3 for full disclosure.

For HP ADHESIVES PVT. LTD.



[Signature]
Director

Note : 1 : 'NOTES TO THE STANDLONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH,2020

2C CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

1 PROPERTY, PLANT AND EQUIPMENT (contd.)

Impairment of Assets

Carrying amount of the the company's assets are reviewed at each balance sheet date to determine whether there is nay indication of impairment of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Ther recoverable amount is greater of net selling price & value in use. During the year under review company does not except any loss on account of demission in value of assets as on 31st March, 2020.

2 Capitalised borrowing cost: Relevant Borrowing costs are capitalised on property, plant and equipment under construction.

3 The company has issued any equity shares during the period but has not bought back any shares during the period of five years immediately preceding 31st March 2020.

4 General Reserves

General Reserves is used from time to time to transfer profits from Retained earnings for appropriation purpose. This reserve will be utilised in accordance with the provision of the Companies Act, 2013.

5 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and Current Account with banks.

Cash flow statement

The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

6 Investments

Investments are stated at lower of Cost or net realizable value. The Cost is determined using FIFO Basis. Net Realizable value is the estimated selling price in the ordinary course of business, less estimated cost necessary opt make the sale. Provision for obsolescence is made wherever necessary.

7 Borrowing Cost

Borrowing Cost attributable to the acquisition/construction of qualifying assets are capitalised. A qualifying assets is one that necessarily takes substantial period of time to get ready for its intended use. Other Borrowing Costs are recognised as expenses in the period in which they are incurred.

8 Impact of COVID-19

The spread of COVID-19 has Severely impacted business around the globe. In many countries including India, there has been severe distrupction to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property and Equipment, intangible assets, Trade Receivables, and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the financial statements.

Management believes that it has considered all the possible impact of known events arising from COVID-19 pandemic in the preparation of the financial statements. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

9 As being first year of company after Incorporation/ Conversion pervious year figures are not reported .



For HP ADHESIVES PVT. LTD.

[Signature]
Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020

Note 2

Share Capital	As at 31st March, 2020	
	Number of shares	Amount
(a) Authorised		
Equity Shares of Rs. 10/- each.	1,30,00,000	13,00,00,000
(b) Issued		
Equity Shares of Rs. 10/- each.	1,30,00,000	13,00,00,000
	1,30,00,000	13,00,00,000
(c) Subscribed and fully paid up		
Equity Shares of Rs. 10/- each	1,30,00,000	13,00,00,000
Total	1,30,00,000	13,00,00,000

Particulars of Shares	No. of Share outstanding at the beginning of the year	No. of Share issued	No. of Share forfeited/ Buy back	No of Share outstanding at the end of the year
A. Equity Share	-	1,30,00,000	-	1,30,00,000

Rights, Preferences and Restrictions attached to shares :

a) Equity shares

Equity Shares are issued consequent to conversion of Partnership firm to Company formed as per provisions of Part I of Company XXI of Companies Act, 2013. Wherein Partners of firm has subscribed to Equity Shares of the Company.

The Company has one class of equity shares having a par value of Rs.10 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.

b) Shares held by Holding/Ultimate Holding/Subsidiaries and Associates of Holding & Ultimate Holding Companies : The Company does not have any holding or ultimate holding Company as at 31 March, 2020.

c) The details of shareholder holding more than 5% of aggregate shares capital as at 31 March, 2020

Class of shares / Name of shareholder	As at 31st March, 2020	
	Number of shares held	Above 5% holding in that class of shares
Equity shares		
Anjana Haresh Motwani	66,30,000	51.00%
Karan Haresh Motwani	63,70,000	49.00%
Total	1,30,00,000	

d) The company has not reserved any shares as at March 31, 2020 for issue under options and contracts or commitments for the sale of shares or disinvestment.

e) The company does not have any securities outstanding as at March 31, 2020, which are convertible into equity or preference shares.



For HP ADHESIVES PVT. LTD.

K Motwani

Director

HP ADHESIVES PRIVATE LIMITED
(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020

Note 3

Reserve & Surplus

Particulars

As at 31st March, 2020

Surplus / (Deficit) in Statement of Profit and Loss Account

Opening balance

Add: Profit / (Loss) for the year

Closing balance

Total

-2,10,92,898

-2,10,92,898

-2,10,92,898

Note 4

Long-term borrowings

Particulars

As at 31st March, 2020

(a) Term loans

From banks

i. Secured -Vechile Loans

BMW Financial Services

HDFC Bank (Tata Truck Loan)53302196

HDFC Loan A/C 60039069 Tata Truck New

ICICI Tempo Loan Lvmum00041112728

Less: Instalment repayable within one year

ii. Secured (Other Than Repayable in one year)

Term Loan - FRP Project 506000451618-Indusind Bank

Less: Instalment repayable within one year

43,18,517

4,14,656

5,06,328

12,40,997

-20,28,636

53,02,933

-19,82,842

77,71,952

Unsecured Loans

(b) Loans and advances from Related parties

Secured

Unsecured

*Unsecured Loans from Promotors

Less: Interest Repayable within one year

8,74,37,198

8,74,37,198

c) Loans and advances from Non Related Parties

Total

9,52,09,151

Particulars

Terms of repayment and security*

As at 31st March, 2020

Secured

Unsecured

Term loans from Banks:-

i. Vehicle Loan

As per Repayment schedule, secured by Vehicle financed.

44,51,861

ii. Term Loan for FRP Project from Indusind Bank

Repayble in monthly Principal Installment of Rs.311,937/- Interest charged on actual basis. Against Mortgage of Plant & Machinery of FRP Division

33,20,091

Total-Term Loan From Banks

77,71,952

Loans and advances from Related Parties: (Incl. Interest Repayable)

All Unsecured from Promotors/ Directors (Eristwile

8,74,37,198

8,74,37,198

Total - Loans and advances from related parties

8,74,37,198

8,74,37,198

*Consequent to conversion of Partnership Firm to Company balance lying under Capital Balances of Partners in Firm has been transferred to the Share Subscription of the Company for Rs. 13.00 Cr & balance amount is transferred to Unsecured Loans from Promotors in the Company on same terms as prevailing in partnership firm.



For HP ADHESIVES PVT. LTD.

[Signature]
Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020**Note 5****Deferred Tax Assets/ Liabilities**

Particulars	As at 31st March, 2020
Profit/Loss as per P&L Account	-1,97,81,939
Add: Timing Differences	
Depreciation as per Companies Act	94,44,749
Reversal of Preliminary Expenses Charged to P&L	
	-1,03,37,190
Less:	
Allowable Depreciation under Income Tax Act, 1961	1,46,53,584
	1,46,53,584
INCOME AS PER INCOME TAX PROVISIONS	-2,49,90,774
Tax on Above	-62,89,678
Tax on Income as per Books of Accounts	-49,78,718
Hence Provision of Deferred Tax Assets/(Liability) to be recognised during the year (-ve)-	-13,10,960
Liability	

Note 6**Short-Term Borrowings**

Particulars	As at 31st March, 2020
(a) Loans repayable on demand	
From banks	
ICICI Bank CC 123851000001*	11,16,57,749
Indusind Bank 0018-277238-020 (650002252061)#	6,69,84,535
Indusind Loan 518003408469- WCTL#	2,76,55,367
Kotak Term Loan	81,23,704
LVB OD A/c 0176.62001470	16,47,669
IND. PSFC- EBRD 380(811002252157)#	79,18,863
Packing Credit (PCFC) A/C 032(800002252083)	1,55,40,981
LC Of Amantit (Export)	58,57,063
(b) Loans from Related Party	
H P International Limited	2,478
(c) Current Maturities on Long Term Debts repayable within one year	40,11,478
Total	24,93,99,888

*** ICICI Bank**

Against Hypothecation of company's entire stock of Raw Material, semi finished & Finished goods, consumable Stores & Spares and such other movable current assets including book debts, bills whether documentary or clean, outstanding monies, receivables, both present and future, in a form and manner satisfactory to the bank.

Personal Gurantee of Directors - Karan Motwani & Anjana Motwani and Relative - Nidhi Motwani
Collateral Charge of Residential Property of Karan Motwani (Director).

Indusind Bank

Against Hypothecation of company's entire current Assets.

Personal Gurantee of Directors - Karan Motwani & Anjana Motwani

Collateral Charge of Industrial Land & Building (owners Karan Motwani & Anjana Motwani)



For HP ADHESIVES PVT. LTD.

Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020

Note 7**Trade payables**

Particulars	As at 31st March, 2020
Trade payables	
a. Dues to Micro & Small Enterprises*	
b. Dues to Others	
Creditors for Expenses	73,04,061
Creditors for Goods	15,19,52,648
Creditors for FRP Division	7,26,835
Total	15,99,83,545

1. Trade Payable are Classified by the Management, taken as such from books of Accounts of the Company includes payables for goods & services. All Creditors are transferred from Firm to the Company as on date of conversion.

2. DUES TO MICRO AND SMALL ENTERPRISES-As being the first year of conversion of Partnership to Company, adequate process are not in operation related to identification of MSME vendors, hence disclosure is made as per available information with the company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. The disclosures pursuant to the said MSMED Act are as follows:

Particulars	Amount as on 31.03.2020
a) The principal amount remaining unpaid to any supplier at the end of the year	-
b) Interest due remaining unpaid to any supplier at the end of the year	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year (No such provision made by the Company)	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-

Note 8**Other Current Liability**

Particulars	As at 31st March, 2020
Duties & Taxes Payable :	
GST Payable	-
PF Payable	2,74,790
PT Payable	60,226
TDS Payable	4,97,195
Audit Fee Payable	-
Salary & Wages Payable	94,19,737
Total	1,02,51,948

Note 9**Short Term Provision**

Particulars	As at 31st March, 2020
Provision for Electricity expenses	-
Provision for income tax	-
Total	-



For HP ADHESIVES PVT. LTD.

Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020

Note 11**Non- Current Assets- Long Term Loans and Advances****Particulars****As at 31st March, 2020**

Security Deposits	
Total	94,31,133
	94,31,133

CURRENT ASSETS**Note 12**

Inventories (As Taken, Valued & Certified by Management)

Particulars**As at 31st March, 2020**

(a) Raw materials	8,36,21,525
(b) Finished goods	9,56,14,407
(c) Stock in Process	59,67,000
Total	18,52,02,932

Refer Notes to accounts regarding valuation & effect of events occurred after Balance Sheet date.

Note 13**Trade receivables****Particulars****As at 31st March, 2020**

Trade receivables outstanding for a period exceeding six months from the date they were due for payment	7,79,88,172
Other Trade Receivables -Unsecured, Considered good (As provided by Management)	21,21,30,164

Total**29,01,18,336**

* Receivable are netted off for subsequent rebates, discounts & returns, same are subject to reconfirmation & reconciliations.

Note 14**Cash & Cash Equivalent****Particulars****As at 31st March, 2020**

Cash in Hand	
Balances with Banks	19,98,821
Current Accounts	49,55,045
Total	69,53,866

Note 15**Short Term Loan & Advances****Particulars****As at 31st March, 2020**

Staff Loan	
Advance Tax AY 2020-21	1,22,51,099
TDS Receivable	15,30,000
Total	6,27,534
	1,44,08,633



For HP ADHESIVES PVT. LTD.

Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020**Note 16****Other Current Asset****Particulars****As at 31st March, 2020**

Other Current Asset-#	
CGST A/C	-
IGST A/c	2,76,951
SGST A/c	17,26,493
Prepaid Exp	32,419
Prepaid Insurance	5,33,625
Dexter Pharma Engineers	5,59,242
Other Receivables (Govt)	1,93,750
HP International (Old Firm) GST Refund	22,07,828
Total	56,28,832

Represents the Available Balance under the Respective GST Ledgers taken as per books of accounts of the company same differs from GST Portal balances due to pending revisions & finalisation of GST Annual Return/Audit. Further Actual realisation of accumulated credits may differs as per Current GST Laws

Note 17**Other Income****Particulars****For 31st March, 2020**

Jobwork Charges For FRP	70,00,000
Renting Machinery And Equipments	84,00,000
Renting Or Leasing Of Non -Residential Property	11,00,000
Drawback Refund	19,41,522
Exchange fluctuation Gain/Loss	33,24,048
Excise Excess Duty Paid Refunded	3,34,760
Freight/Transportation Charges (Sales)	91,237
Interest On Staff Loan	12,300
Interest On Bank FD	4,90,897
Total	2,26,94,764

Note 18**b. Changes in inventories of finished goods, work-in-progress and stock-in-trade****Particulars****For 31st March, 2020**

Inventories at the end of the year:	
WIP	59,67,000
Finished Goods	9,56,14,407
Raw material & Packing Material	8,36,21,525
	18,52,02,932
Inventories at the beginning of the year:	
WIP	-
Finished Goods	3,72,80,582
Raw material	10,13,50,738
	13,86,31,320
Net (increase) / decrease	-4,65,71,613

Note 19**Employee benefits expense****Particulars****For 31st March, 2020**

Salaries & Welfare Expenses	8,16,35,141
Bonus	2,06,862
Total	8,18,42,003

**For HP ADHESIVES PVT. LTD.**
Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

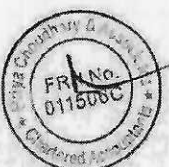
Notes to the Standalone Financial Statements for the year Ended 31st March, 2020

Note 20**Finance Cost**

Particulars	For 31st March, 2020
Interest Charges-Secured Loans	29,84,088
Interest Charges-Unsecured Loans	18,13,741
LC Charges	2,95,660
Interest on OverDraft	1,52,20,618
Bank Charges	34,25,339
Total	2,37,39,447

Note 21**Other Expenses**

Particulars	For 31st March, 2020
(A) Manufacturing Expenses	
Wages	1,95,87,951
Power & Fuel Expenses	79,72,892
Loading & Unloading Expenses	4,26,527
Carriage Inward	5,98,728
Clearing, Forwarding, Freight & Agency Charges(I)	24,48,917
Freight Charges	1,52,181
Labour Charges	80,48,130
Security Expenses	11,09,394
Testing Charges	2,04,674
Factory Expenses	20,11,451
Total(A)	4,25,60,844
(B) Administration Expenses	
Legal & Professional Consultancy Charges	66,54,429
Payment to Auditors*	8,88,350
Computer & Website Maint Exp	5,09,940
Travelling & Conveyance Expenses	2,24,78,856
Telephone Expenses	15,82,288
Postage & Courier	10,89,778
Insurance	13,98,909
Office Expenses	17,96,071
Printing & Stationery Expenses	22,63,294
Rent	1,20,20,218
Late Fees	250
Repairs & Maintenance	45,37,195
Lodging & Boarding Exp	55,03,133
Bad-Debts	1,87,830
Directors Remuneration	50,00,000
Membership Fees	70,260
Property Tax	8,66,253
Certification Charges	19,69,831
Miscellaneous Expenses	8,58,611
Donation	3,00,000
Total (B)	6,99,75,496



For HP ADHESIVES PVT. LTD.

Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020

Note 21**Other Expenses-Cont...****(C) Selling Expenses**

Discount Allowed	
Transportation Expenses	17,98,910
Business Promotion Expenses	1,34,89,397
Clearing & Forwarding	3,13,27,509
Commission Expenses	55,92,645
Total (C)	6,64,497
TOTAL(A)+(B)+(C)	5,28,72,958
	16,54,09,297

***Payment to Auditors**

Particulars	Current Year
Audit Fees	4,60,200
Tax Audit Fees	1,97,650
Certification & Others	2,30,500
Total	8,88,350

Note 22**Extraordinary Items**

Particulars	For 31st March, 2020
Sales Tax Amnesty- Maha Vat Amenesty Scheme	55,54,097
Excise Dues Amnesty- Payment under Sab Ka Vishwas Scheme	6,88,17,396
Total	7,43,71,493



For HP ADHESIVES PVT. LTD.

Director

HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020

Note 10 - Tangible Assets

Fixed Assets

Particulars	Useful life (in years)	Gross block		Accumulated depreciation and impairment		Net block	
		Balance as at date of Conversion	Additions during the year	Deletions during the year	Balance as at 31st March, 2020	Balance as at 31st March, 2019	Balance as at 31st March, 2020
A. Tangible assets							
a Factory Building *	30	2,09,36,445	-	-	2,09,36,445	77,95,895	1,26,41,213
b Plant & Machinery *	15	9,07,68,428	1,87,81,937	-	10,95,50,365	4,15,49,186	6,34,95,234
c Motor Vehicle	10	1,88,44,695	59,54,835	-	2,47,99,530	72,89,014	1,48,72,922
d Furniture & Fixtures	10	48,13,768	74,135	-	48,87,903	24,06,884	20,41,329
e Computer	3	39,21,472	12,58,337	-	51,79,809	33,58,199	13,80,482
f Computer Software	6	3,71,136	-	-	3,71,136	1,61,536	1,72,019
g Office Equipments	5	21,16,772	1,27,631	-	22,44,403	10,82,589	18,09,190
Total		14,17,72,716	2,61,96,875	-	16,79,69,591	6,36,43,303	9,50,41,412
B. Intangible Assets							
a Trade Mark	5	2,14,100	15,84,897	-	17,98,997	1,63,343	14,75,781
Total		14,19,86,816	2,77,81,772	-	16,97,68,588	6,38,06,646	9,65,17,193

* Land on which factory building is constructed is not in the name of Company. It is in the name of Directors and the same has been provided Rent-free to the Company.

* Plant & Machinery includes FRP machinery also which is used by HP Composites LLP. Fixed Monthly rental is charged on the same as decided by the management.

* Company has provided depreciation on SLM Basis on balance useful life of asset taken after conversion of Firm to Company.

For HP ADHESIVES PRIVATE LIMITED -



Director



HP ADHESIVES PRIVATE LIMITED

(Annual Report-2019-2020)

Notes to the Standalone Financial Statements for the year Ended 31st March, 2020

Note : 23

Related Party transactions:(a) **Name of related parties and description of relationship (with whom transactions have taken place during the year)**(i) **Key Managerial Persons**

1) ANJANA MOTWANI

2) KARAN MOTWANI

(ii) **Relatives to KMP**

1) NIDHI MOTWANI

(iii) **Enterprises, over which relatives of persons having significant influence, having significant influence**

1) HP COMPOSITES LLP

2) HP TRADING

3) HP SALES CORPORATION

(b) Related Parties Transactions :

Sr. No.	Name of the Party	Nature of transaction	Transactions during the Year ended 31 March, 2020	Amount Receivable /(Payable) as at 31 March, 2020
1	HP COMPOSITES LLP	Business Transactions - Sale of Goods Business Transactions - Purchase of Goods Rental Services Given	4,49,16,161 1,54,06,983 1,65,00,000	-
2	ANJANA MOTWANI	Loan Taken Loan Repaid Remuneration Paid	11,35,72,766 8,13,00,000 20,00,000	(3,22,72,766)
3	KARAN MOTWANI	Loan Taken Loan Repaid Remuneration Paid	7,39,28,480 6,37,00,000 30,00,000	(1,02,28,480)
4	NIDHI MOTWANI	Interest Paid on Unsecured Loans Loan Taken Loan Repaid	18,13,741 7,56,41,364 5,72,67,560	- - (1,83,73,804)
5	HP TRADING	Business Transactions - Sale of Goods Business Transactions - Purchase of Goods	63,19,993 1,32,49,958	
6	HP SALES CORPORATION	Business Transactions - Sale of Goods Business Transactions - Purchase of Goods	21,96,890 21,96,890	

Note: The details of related parties are as identified by the Company and relied upon by the management.



For HP ADHESIVES PVT. LTD.

Director

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For HP ADHESIVES LIMITED

MANAGING DIRECTOR

Note : 24 Earnings Per Share

The calculation of earnings per share is calculated in accordance with "Accounting Standard-20"

Particulars	As at 31st March, 2020
Net Profit/(loss) After Taxation for the Year (a)	(1,97,81,939)
Weighted Average Number of Equity Shares (b)	1,30,00,000
Basic Earnings Per Share (a/b)	(1.52)
Nominal Value of Shares	10/-

Note : 25 :DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013 :

The details of loans, guarantees and investments under section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) rules, 2014 are as follows:

- (i) The company has not given guarantees for any company for its business purpose.

In terms of our report of Even Date Attached
For Priya Choudhary & Associates
Chartered Accountants
FRN NO. 011506C

(Vaibhav Choudhary)
Partner
M. NO. 407543
Place : Mumbai
Date : 26/12/2020



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

Karan Haresh Motwani
Director
(Din No.02650089)

Anjana Haresh Motwani
Director
(Din No.02650184)

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For HP ADHESIVES LIMITED

MANAGING DIRECTOR