

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors
HP Adhesives Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of HP Adhesives Limited (the "Company") for the **quarter ended December 31, 2021** and year to date from April 01, 2021 to December 31, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulation"), as amended read with SEBI Circular No. CIR/CIR/CFD/CMD1/44/2019. Dated 29" March, 2019 ('the Circular') and applicable amendments thereto.
2. This Preparation of the Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the Circular No CIR/CFD/CMDI/44/2019 dated March 29, 2019 (the 'Circular') issued by Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.
5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We have not audited or reviewed the comparative financial information appearing in the Statement for the corresponding quarter ended December 31, 2020 which has been presented solely based on the information compiled by the Management and has been approved by the Board of Directors.

For Priya Choudhary & Associates LLP

Chartered Accountants

FRN 011506C/C400307

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CHOUDHARY

Date: 2022.02.10 15:08:50 +05'30'

VAIBHAV CHOUDHARY

(Partner)

M No: 407543

Place: Mumbai

Date: 10/02/2022

UDIN: 22407543ABENGZ1428



STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

S. No.	Particulars	For Quarter Ended			For Nine months ended		For Year Ended
		31.12.2021	30.09.2021	31.12.2020	31.12.2021	31.12.2020	31.03.2021
		(Unaudited)					(Audited)
1	INCOME						
	Revenue from operations	4,366.22	4,659.20	3,464.71	11,417.80	7,957.63	11,816.16
	Other income	20.67	301.69	116.38	242.32	298.36	571.80
	Total Income	4,386.89	4,960.89	3,581.09	11,660.12	8,255.98	12,387.96
2	EXPENSES						
	Cost of Material Consumed	3,374.95	3,321.07	2,745.20	7,712.15	5,872.60	9,708.36
	Changes in inventories of finished goods (including stock-in-trade) and work-in-progress	(300.27)	187.65	(334.18)	493.79	(403.51)	(1,586.07)
	Employee benefits expenses	426.06	410.32	434.02	1,200.82	1,060.47	1,473.58
	Finance costs	79.52	104.06	54.17	251.92	165.06	255.31
	Depreciation and amortisation expense	74.10	72.15	41.30	215.10	145.64	190.33
	Other expenses	441.53	393.08	240.92	1,074.36	623.89	1,023.41
	Total Expenses	4,095.89	4,488.33	3,181.43	10,948.14	7,464.15	11,064.92
3	Profit before Exceptional items and tax (1-2)	291.00	472.56	399.66	711.98	791.83	1,323.03
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (PBT) (3-4)	291.00	472.56	399.66	711.98	791.83	1,323.03
6	Tax expense						
	Current tax	(86.72)	(65.62)	(77.42)	(163.76)	(182.19)	(250.22)
	Deferred tax	10.61	(56.14)	(9.29)	(23.08)	(3.26)	(66.84)
	Earlier year tax adjustments	-	-	-	-	-	-
	Total Tax Expense	(76.11)	(121.75)	(86.71)	(186.84)	(185.45)	(317.06)
7	Profit after Tax (PAT) (5-6)	214.89	350.80	312.96	525.14	606.38	1,005.97
8	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss account	17.68	16.84	(5.35)	51.37	2.33	15.35
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(4.45)	(4.24)	1.35	(12.93)	(0.59)	(3.86)
9	Total comprehensive income for the period (7+8)	228.13	363.41	308.96	563.58	608.12	1,017.46
10	Paid up Equity Share Capital (FV of ₹ 10/- per equity share)	1,837.49	1,423.49	1,300.00	1,837.49	1,300.00	1,300.00
11	Other Equity						(34.11)
12	Earning per Equity share* in Rs.						
	(a) Basic in ₹	1.17	2.46	2.41	2.86	4.66	7.74
	(b) Diluted in ₹	1.17	2.46	2.41	2.86	4.66	7.74

*not annualised for quarters and nine months ended
See the accompanying notes to the financial results

Notes to Accounts

- This statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter and other recognised accounting practices and policies to the extent applicable.
- The above financial results for the quarter ended December 31, 2021 along with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 10 Feb 2022. The financial results and other financial information for quarter ended September 30, 2021 & December 31, 2020 have not been audited or reviewed by our statutory auditors. However, the management has exercised necessary due diligence to ensure that the financial results for these periods provide a true and fair view of the Company's affairs.




HP ADHESIVES LIMITED

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3. The Company operates primarily in adhesives & sealants segment, hence there is only one reportable business segment viz. "Adhesives & Sealants Products". Accordingly no separate disclosures have been made for segment reporting under Ind AS 108.
- 4.
- The Company has completed the Initial Public Offering (IPO) of 45,97,200 Equity Shares of Face Value of Rs 10 each for cash at a price of Rs 274/- per Equity Share aggregating to Rs 12,596.32 Lakhs comprising a Fresh Issue of 41,40,000 Equity Shares aggregating to Rs 11,343.46 Lakhs and on offer for sale of 4,57,200 Equity Shares aggregating to Rs 1,252.73 Lakhs. Pursuant to the IPO, the Equity Shares of the Company got listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) on December 27, 2021. Out of the Offer for Sale proceeds, Rs 1,067.03 Lakhs was remitted to Selling shareholder during the quarter ended December 31, 2021.
 - The Company incurred Rs 1298.51 lakhs (till date 31.12.2021) as IPO Related expenses (excluding Taxes) which are still pending for finalization, hence same are not proportionately allocated between selling shareholder and the company. The same will be invoiced to selling shareholder after finalization of total expenses.
 - The details of utilization of IPO proceeds of Rs 9,674.36 Lakhs, net of IPO expenses (subject to finalisation based on final invoices to be received) of the Company are as follows:

Particulars	Total Amount	(in INR lakhs)	
		Utilised during the quarter ended December 31, 2021	Un-utilised upto December 31, 2021
Capex	2,550.86	-	2,550.86
Funding for Working Capital Requirement	5,400.00	537.84	4,862.16
General corporate Purpose	1,723.50	1,000.00	723.50
Total	9,674.36	1,537.84	8,136.52

Note:

The above INR 1,723.50 lakhs of General corporate purpose is subject to finalisation of IPO issue expenses which is pending. Final amount of IPO issue expenses will be adjusted against this balance General corporate purpose amount (INR 723.50 lakhs) subject to overall General corporate purpose amount not exceeding 25% of gross proceeds from Fresh Issue in accordance with SEBI ICDR Regulations.

Out of total Unutilised Proceeds as of December 31, 2021 for Capex and Working capital, INR 375.00 lakhs invested in fixed deposits with scheduled commercial banks and balance INR 7087.16 lakhs lying in Monitoring agency account.

Additional further funds of INR 1,550.16 lakhs lying in IPO Public issue account (as of 31-Dec-21) for payment of balance IPO expenses and thereafter balance will be transferred to Monitoring Agency account which will be towards General corporate purpose.

5. The Company has considered the possible effects that may result from COVID-19 on the carrying amount of its assets as well as its impact on operations. In developing the assumptions relating to the possible future uncertainties in the global conditions because of COVID-19, the Company, as on date on approval of these financial results has used variable information, as available. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the company's financial results may differ from that estimated as at the date of approval of these financial results.



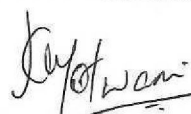


6. The Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contribution by the Company towards provident fund and gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results following the Code becoming effective and the related rules being framed and notified. The Company has taken professional opinion in this regard and will ensure that it makes adequate provisions to remain compliant with all requirements.
7. The figures of the preceding period ended Dec 31, 2020 are the balancing figures between audited figures in respect of the full financial year up to March 31, 2021 and the unaudited year to date figures up to December 31, 2020, being the date of the end of the third quarter of the financial year which were subjected to limited review.
8. Previous period numbers have been regrouped wherever applicable, to the extent possible, to confirm to the current period presentation.
9. The results for the quarter ended December 31, 2021 are available on the Bombay Stock Exchange of India Limited website (URL: <https://www.bseindia.com/corporates>) and the National Stock Exchange of India Limited website (URL: <https://www.nseindia.com/corporates>).

For and on behalf of The Board of Directors

Place: Mumbai
Dated: 10th February, 2022




Mr. Karan Motwani
Managing Director
DIN: 02650089



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