



26th August, 2025

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

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

Subject: Communication to Shareholders - Intimation of Tax Deduction on Dividend.

Dear Sir/ Madam,

Pursuant to provisions of the Income Tax Act, 1961, as amended by the Finance Act 2020, Dividend Distribution Tax is abolished, and dividend income is taxable in the hands of the shareholders.

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders having their email ID's registered with the Company/Depositories, elaborating the process to be followed in respect of the applicability of tax deduction and formalities to be complied by the shareholders to ensure appropriate deduction of tax on the dividend, if declared and payable during the financial year 2025-26.

The same is being made available on the website of the Company at www.hpadhesives.com.

You are requested to take note of the same and disseminate appropriately.

Thanking you,

Yours faithfully,

For HP Adhesives Limited

Karan Haresh Motwani

Managing Director

DIN: 02650089

Encl: As above

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

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

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



HP ADHESIVES LIMITED

CIN: L24304MH2019PLC325019

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Corporate Office : 501, 5th Floor, C Wing, Business Square, Chakala, Andheri (East), Mumbai 400093, Maharashtra, India.

Tel No : + 91-22-6819 6300; **Website :** www.hpadhesives.com; **Email :** investors@hpadhesives.com

Date: 25 August, 2025

Dear Shareholder,

Sub: Communication in respect of deduction of tax at source on dividend pay-out.

We are pleased to inform you that the Board of Directors of your Company at their meeting held on 13th May, 2025, have recommended a final dividend @ 20% i.e. Rs. 0.40/- per equity share of Rs. 2/- each, for the financial year ended 31st March, 2025.

The dividend, as recommended by the Board, if approved at the 6th Annual General Meeting, will be paid to the eligible shareholders within 30 days of the date of its declaration.

Shareholders may note that pursuant to the changes in the Income Tax Act, 1961 ('the IT Act') as amended by the Finance Act, 2020, dividend income will be taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) at the time of making the payment of dividend to shareholders at the prescribed rates:

For Resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act, as follows:

Valid PAN of shareholder available with the Company	10% or as notified by the Government of India
Shareholders without PAN / Invalid PAN / Valid PAN not updated in the Company's Register of Members / PAN is not linked with AADHAR in case of an individual	20% or as notified by the Government of India

However, no tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by them during the financial year 2025-26 does not exceed Rs. 10,000/- and also in cases where shareholder provides valid Form 15G (applicable to any person other than HUF or a Company or a firm)/ Form 15H (applicable to an individual who is 60 years and older) subject to conditions specified in the IT Act. Shareholders may also submit any other document as prescribed under the IT Act to claim a lower/ nil withholding tax. PAN is mandatory for shareholders providing valid Form 15G/ Form 15H or any other documents as mentioned above. The formats of Form 15G/ Form 15H are also available on the website of our Registrar and Transfer Agent (RTA), Bigshare Services Private Limited at www.bigshareonline.com and on Company's website at www.hpadhesives.com.

For Resident Mutual funds, Insurance Company and AIF shareholders:

In order to provide exemption from TDS on the dividend payable to a Mutual Fund specified under Clause (23D) of Section 10 of the IT Act or an Insurance Company as specified in Section 194 of the IT Act or AIF established/incorporated in India and governed by SEBI regulations as Category I or Category II AIF as specified under Section 10 (23FBA) of the IT Act, shareholders should submit the below document along with exemption notification, if any, as per the relevant provisions of the IT Act:

- a. Declaration by shareholder qualifying as Insurer as per Section 2(7A) of the Insurance Act, 1938 – *Annexure 1*
- b. Declaration by Mutual Fund shareholder eligible for exemption under Section 10(23D) of the IT Act – *Annexure 2*
- c. Declaration by Category I/II Alternate Investment Fund (AIF) registered with SEBI – *Annexure 3*

Declaration for exemption under Circular 18/2017 of the IT Act:

In case of any shareholder whose income is subject to lower rate of TDS, or is exempt under the IT Act, such shareholder is requested to submit the following documents, if eligible as per the relevant provisions of the IT Act, duly signed by the authorized signatory:

- a. Lower withholding tax certificate for the financial year 2025-26, if any obtained from the jurisdictional Income Tax authorities.
- b. In case the shareholder has obtained tax exemption status under any provisions of the IT Act, the documentary evidence along with declaration for the same.

If you are eligible for a lower rate of tax deduction, kindly submit necessary supporting documents to substantiate your claim.

For Non-Resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the Government of India on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders may have an option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. In order to avail the benefits of DTAA, the non-resident shareholders will have to provide the following:

- Self-attested Tax Residency Certificate (TRC) for the financial year 2025-26, obtained from the tax authorities of the country of which the shareholder is a resident.
- Self-attested copy of PAN allotted by the Indian Income Tax authorities. In case of non-availability of PAN, information under sub-rule 2 of Rule 37BC to be submitted.
- Shareholders who are holding PAN in India and propose to take treaty benefit shall mandatorily file Form 10F electronically on the income tax portal at the link <https://eportal.incometax.gov.in/>.
- Non-resident members who are not having Permanent Account Number ('PAN') in India or who are not required to obtain PAN in India are exempted from mandatory electronic filing of Form 10F, however they are required to submit the manual Form 10F duly signed along with a declaration of not having PAN or not required to obtain PAN in India.

- Self-declaration from non-resident shareholder addressed specifically to the Company – primarily covering the following:
 - a. Non-resident is and will continue to remain a tax resident of the country of residence during the financial year 2025-26;
 - b. Non-resident is eligible to claim the benefit of respective tax treaty;
 - c. Non-resident has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
 - d. Non-resident receiving the dividend income is the beneficial owner of such income;
 - e. Dividend income is not attributable/ effectively connected to any permanent establishment (PE) or fixed base in India;
 - f. In case of Foreign Institutional Investors and Foreign Portfolio Investors, self-attested copy of SEBI registration certificate; and
 - g. In case of shareholder being tax resident of Singapore, please furnish the letter issued by the competent authority or any other evidences demonstrating the non-applicability of Article 24 - Limitation of Relief under India-Singapore Double Taxation Avoidance Agreement (DTAA).
- Any other documents as prescribed under the IT Act for lower withholding tax if applicable, duly attested by the shareholder.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non-resident shareholder.

Declaration by shareholders under Rule 37BA (2) of the Income Tax Rules, 1962:

In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962.

Section 206AA of the IT Act:

Rate of TDS at the rate of 10 percent under section 194 of the IT Act which is subject to provisions of section 206AA of the Act which introduces special provisions for TDS where PAN provided by deductee is Invalid. Invalid PAN also includes cases where PAN and Aadhar are not linked.

As provided in section 206AA of the Act, tax is required to be deducted at higher of following rates in case of payments to specified person:

- at twice the rate specified in the relevant provisions of the IT Act; or
- at twice the rate or rates in force; or
- at the rate of 20%.

Accordingly, provisions of section 206AA will be applicable in cases where PAN of the shareholder is Invalid.

For all shareholders:

Shareholders are requested to update tax residential status, permanent account number (PAN), registered email address, mobile numbers and other details with their depository participants, in case the shares are held in dematerialized form. Shareholders holding shares in physical mode, are requested to furnish details to the Company's Registrar and Share Transfer Agent (RTA).

The formats of above declarations including Annexure I, II and III alongwith Form 15G, Form 15H and Form 10F are available on the website of RTA at www.bigshareonline.com. The aforementioned documents (duly completed and signed) are required to be submitted to the Company's RTA at investor@bigshareonline.com / tds@bigshareonline.com

In order to enable the Company to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the IT Act, you are requested to provide the above-mentioned details and documents as applicable to you on or before **Friday, 19th September, 2025**. The Company will arrange to e-mail a soft copy of TDS certificate at the shareholders registered e-mail ID in due course, post payment of the said final dividend/ furnishing of TDS returns for the second quarter of financial year 2025-26, with the authorities.

Incomplete and/or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered after **19th September, 2025**.

All the documents submitted by the shareholders will be verified by the Company and the Company will consider the same while deducting the appropriate taxes if they are in accordance with the provisions of the IT Act.

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to the shareholder to file the return of income as per the IT Act, and claim an appropriate refund, if eligible, but no claim shall lie against the Company for such taxes deducted.

All communications/queries in this respect should be addressed to our RTA, Bigshare Services Private Limited at their e-mail ID: investor@bigshareonline.com.

In the event of any income tax demand (including interest, penalty, etc.) arising on the Company due to any declaration, misrepresentation, inaccurate or omission of any information provided by the member, such member will be responsible to indemnify the Company and, provide the Company with all information / documents and co-operation in any appellate proceedings.

Appeal to Members to Register their E-mail ID:

Further, shareholders who have not registered/ updated their email address are requested to register/ update the same on investor@bigshareonline.com or with their depository participant or send their consent at investor@bigshareonline.com along with their folio no./ DP ID, Client ID and valid e-mail address for registration/ updation.

Shareholders are further requested to complete necessary formalities to link their bank accounts to their demat accounts to enable the Company to make timely credit of dividend in respective bank account.

Disclaimer: Above communication on TDS only sets out the provisions of law in a summarized manner and does not purport to be a complete analysis or listing of all potential tax consequences. Shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances.

For HP Adhesives Limited

Sd/-

**Karan Haresh Motwani
Managing Director**