



ANNUAL REPORT
2024-25

Sonal Adhesives Limited

SONAL ADHESIVES LIMITED

CIN: L02004MH1991PLC064045

Board of Directors

Mr. Nitin Rane	-	Non-executive Independent Director (Chairman)
Mr. Sandeep Arora	-	Managing Director
Mrs. Mridu Arora	-	Non-executive Director
Mr. Tejas Shah	-	Non-executive Independent Director
Mr. Vipul Desai	-	Non-executive Independent Director (Appointed w.e.f. 12/08/2025)

Key Managerial Personnel

Mr. Ajeet Singh	-	Chief Financial Officer
Ms. Anuradha Dubey	-	Company Secretary & Compliance Officer

Registered Office and Factory Address

Plot 28/1A, Village Dheku, Takai Adosi Road
Off: Khopoli Pen Road, Tal: Khalapur, Dist., Raigad
Maharashtra – 410 203

Auditors

M/s. M C Asawa & Co, Chartered Accountant

Registrar and Share Transfer Agent
MUFG Intime India Private Limited

C 101, 247 Park, L.B.S Marg,
Vikhroli (West), Mumbai 400083
Tel :022 4918 6000

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NOTICE

NOTICE is hereby given that the 34th Annual General Meeting (AGM) of the Members of Sonal Adhesives Limited will be held on **Thursday, September 25, 2025 at 4.00 p.m.** through two-way Video Conferencing or Other Audio Visual Means ("VC/OAVM") to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2025, together with the reports of the Board of Directors and the Auditors thereon
2. To appoint a director in place of Mrs. Mridu Sandeep Arora (DIN: 07260461), who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint Statutory Auditors and in this regard, to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT pursuant to provisions of Section 139 of the Companies Act, 2013 and all other provisions made there under and on recommendation of Audit Committee of the Company and due to retirement of M/s. M C Asawa & Co, existing Statutory Auditor of the Company; M/s Haziyani & Associates (FRN: 030087C), Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company, for a period of Five consecutive financial years i.e. from FY 2025-26 to FY 2029-30 to hold office of Auditors from the conclusion of this 34th Annual General Meeting (AGM) till the conclusion of the 39th AGM of the Company to be held in the year 2030 AND THAT the Board of Directors of the Company be and are hereby authorised to fix their remuneration."

Special Business:

4. APPOINTMENT OF MR. VIPUL DESAI AS DIRECTOR OF THE COMPANY

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

"RESOLVED THAT Mr. Vipul Desai (DIN: 02074877), who was appointed as an Additional Director of the Company with effect from 12th August, 2025 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the conclusion of the ensuing Annual General Meeting and being eligible for appointment as a Director, be and is hereby appointed as a Director of the Company."

5. APPOINTMENT OF MR. VIPUL DESAI AS INDEPENDENT DIRECTOR OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ("the Act"), and the Companies (Appointment and Qualification of Directors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the members be and is hereby accorded for appointment of Mr. Vipul Desai (DIN: 02074877) who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under section 149(6) of the Act and the SEBI regulations be and is hereby appointed as an Independent Director for a term of 3 (Three) consecutive years commencing from 12th August, 2025 up to 11th August, 2028; not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution."

6. RATIFY THE REMUNERATION OF THE COST AUDITORS FOR THE FY 2024-25

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

"RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Cost Auditors M/s. S K Agarwal & Associates (Firm Registration Number: 100322) for the financial year 2024-25, fixed at Rs. 70,000/- (plus applicable taxes and out-of-pocket expenses) by the Board of Directors, be and is hereby ratified."

7. RATIFY THE REMUNERATION OF THE COST AUDITORS FOR THE FY 2025-26

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

“RESOLVED THAT pursuant to the provisions of Section 148 (3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of Cost Auditors M/s. S K Agarwal & Associates (Firm Registration Number: 100322) for the financial year 2025-26, fixed at Rs. 70,000/- (plus applicable taxes and out-of-pocket expenses) by the Board of Directors, be and is hereby ratified.”

For Sonal Adhesives Limited

Sd/-
Mridu Arora
Director
DIN: 07260461

Sd/-
Sandeep Arora
Managing Director
DIN: 00176939

Date: 12/08/2025

Place: Khopoli

NOTES:

1. The Ministry of Corporate Affairs (“MCA”) inter-alia vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022, 09/2023 and 09/2024 issued by the Ministry of Corporate Affairs on 8th April, 2020; 13th April, 2020; 5th May, 2020; 13th January, 2021; 8th December, 2021; 14th December, 2021; 5th May, 2022; 28th December, 2022; 25th September, 2023 and 19th September, 2024 respectively (collectively referred to as “MCA Circulars”) has permitted the holding of the annual general meeting through Video Conferencing (“VC”) or through other audio-visual means (“OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and MCA Circulars, the 34th Annual General Meeting (“Meeting” or “AGM”) of the Company is being held through VC / OAVM on Thursday, September 25, 2025. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility of appointment of proxy to attend and vote is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.sonal.co.in. The Notice can also be accessed from the websites of the Stock Exchange, i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars.
8. Additional information pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 in respect of Directors seeking appointment/re-appointment forms part of this Notice.
9. The Register of Members and Share Transfer Books of the Company will remain closed for the purpose of Annual General Meeting (AGM) from Friday, September 19, 2025 to Thursday, September 25, 2025 (both days inclusive).
10. Members are requested to notify any change in their addresses to their Depository Participants in respect of their shareholding in electronic form quoting Client ID no. and to the Registrar and Share Transfer Agent, M/s. MUFG Intime India Pvt Ltd., at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra in case of their shares held in physical form quoting their Folio Number.
11. Please note that your Company's Shares are compulsorily traded in Electronic Form. Your Company has already entered in the agreement with the National Securities Depository Limited (NSDL) and Central Depository Services India Limited (CDSL). **As per the Amendment to Regulation 40 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is mandatory that transfer of shares would be carried out in dematerialized form only w.e.f. 5th December, 2018. Therefore Members who still hold shares in physical form are advised to convert their shareholding into dematerialized form by submitting the Dematerialization Request Form (DRF) through their concerned Depository Participant.**
12. **As per the SEBI circular No SEBI/HO/MIRSD/DOP1/CIR/P/2018 dated 20.04.2018 Members who hold shares in physical form are requested to submit the copy of PAN and original cancelled cheque leaf /attested bank passbook showing name of account holder to M/s. MUFG Intime India Pvt. Ltd. Unit: SONAL ADHESIVES LIMITED, C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400083 the Registrar and Share Transfer Agent of the Company.**
Further, pursuant to SEBI Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 Members who hold shares in physical form are requested to complete their folios by furnishing valid PAN, KYC details and Nomination failing which such folios shall be liable to be frozen."
13. The Ministry of Corporate Affairs ("MCA") had issued Circulars stating that the service of notice / document by a company to its members can now be made through electronic mode for prompt receipt of communication, apart from helping avoid losses / delays in postal transit.

In view of the above, the members who have not registered their email addresses are requested to provide their valid e-mail id along with their folio no. / DP ID No & Client ID No and their residential address as under:-

(I) Through post at below addresses:

- a) The Registrar and Transfer agent of the Company i.e. M/s. MUFG Intime India Pvt Ltd., C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra.

OR

- b) The Registered Office of the Company at Plot No.28/1A, Takai-Adoshi Road, At PO Khopoli Tal, Khalapur Dist, Raigad, Khopoli – 410203, Maharashtra.

OR

(II) Through email at: investor@sonal.co.in

14. Voting through electronic means:

In terms of section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company is pleased to provide its members the facility to exercise their votes on the items of business given in the notice through electronic voting system, to members holding shares as on Thursday, the September 18, 2025 being the cut-off date ("Record date" for the purpose of said Rules) fixed for determining voting rights of members entitled to participate in the e-voting process through the e-voting platform provided by Central Depository Services (India) Limited (CDSL).

A. The instructions for Members voting electronically are as under:

- I. Pursuant to the provisions of Section 108 and other applicable provisions of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations, MCA Circulars and SEBI Circular the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

- II. The Company has engaged the services of Central Depository Services (India) Limited ("CDSL") to provide e-voting facility to the Members.
- III. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Thursday, the September 18, 2025. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- IV. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Thursday, the September 18, 2025 only shall be entitled to avail the facility of e-voting.
- V. Members who are holding shares in physical form or who have not registered their email address with the Company/Depository or any person who acquires shares of the Company and becomes a Member of the Company after the Notice has been sent electronically by the Company, and holds shares as of the cut-off date, i.e. Thursday, the September 18, 2025; such Member may obtain the User ID and password by sending a request at helpdesk.evoting@cdslindia.com. Alternatively, they may temporarily register their email with the Company's RTA, MUFG Intime India Pvt Ltd. Upon successful registration, confirmation will be sent on their registered email ID. In case of any queries, members may contact Company's Registrar and Share Transfer Agent, MUFG Intime India Private Limited.

It is further clarified that for permanent registration of Email address, Members are required to register their Email address in respect of Electronic holdings with their concerned Depository Participant(s) and in respect of Physical Holdings with the Company's Registrar and Share Transfer Agent M/s MUFG Intime India Private Limited by sending an E-mail at rnt.helpdesk@linkintime.co.in or at Co's email id investor@sonal.co.in by following due procedure.

However, if a Member is already registered with CDSL for e-voting then existing User ID and password can be used for casting vote.

- VI. Mr. Prashant Diwan, Practicing Company Secretary (C. P. No. 1979) has been appointed by the Company as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VII. The Scrutinizer, after scrutinizing the votes, within 48 hours of the conclusion of the Meeting; make a consolidated scrutinizer's report which shall be placed on the website of the Company, i.e. www.sonal.co.in and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
- VIII. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting, i.e. Thursday, September 25, 2025.
- IX. Information and other instructions relating to e-voting are as under:
 - (i) The remote e-voting facility will be available during the following period:
 Commencement of e-voting: From 9:00 a.m. (IST) on Monday, September 22, 2025.
 End of e-voting: Up to 5:00 p.m. (IST) on Wednesday, September 24, 2025.
 The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of the aforesaid period.
 - (ii) The Members who have cast their vote by remote e-voting prior to the Meeting may also attend/ participate in the Meeting through VC / OAVM but shall not be entitled to cast their vote again.
 - (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	Users who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi/ Easiest are EasiEasiest or www.cdslindia.com and click on Login icon and select New System Myeasi. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see the respective e-Voting service provider i.e. CDSL/ NSDL/ KARVY/ MUFG INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. If the user is not registered for Easi/Easiest, option to register is available at EasiEasiest. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-Voting is in progress during or before the AGM.
Individual Shareholders holding securities in demat mode with NSDL	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders & physical shareholders.

The shareholders should log on to the e-voting website www.evotingindia.com.

1) Click on “Shareholders” module.

2) Now Enter your User ID

a. For CDSL: 16-digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company OR Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

3) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

4) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN of the “Sonal Adhesives Limited”.

- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xv) If a Demat account holder has forgotten the password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Additional facility for Non – Individual Shareholders and Custodians –Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investor@sonal.co.in , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE MEETING THROUGH VC/OAVM ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote again at the AGM.
4. The Members can join the Meeting through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the Meeting through VC/OAVM will be made available up to 1000 members on a first-come, first-served basis. However the participation of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. are not restricted on a first-come, first-served basis.
5. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
6. Further Shareholders will be required to allow Camera and ensure a stable high-speed internet connection to avoid any disturbance during the Meeting.
7. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience disruption in audio/video due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

8. Members who would like to express their views or ask questions during the Meeting may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor@sonal.co.in at least 2 days before the Meeting. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.
9. The Shareholders who have not registered themselves can put the question on the chat box available on the screen at the time of the Meeting.
10. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
11. If any votes are cast by shareholders through e-voting during the AGM, and such shareholders have not participated in the meeting through the VC/OAVM facility, then those votes shall be considered invalid, as the facility of e-voting during the meeting is available only to shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES & COMPANY/RTA:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders, Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

For Sonal Adhesives Limited

Sd/-
Mridu Arora
Director
DIN: 07260461

Sd/-
Sandeep Arora
Managing Director
DIN: 00176939

Date: 12/08/2025

Place: Khopoli

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

At the 29th Annual General Meeting held on December 26, 2020, M/s. M C Asawa & Co., Chartered Accountants (Firm Registration No. 008041C), were appointed as the Statutory Auditors of the Company for a term of five years, to hold office until the conclusion of the 34th Annual General Meeting to be held in 2025.

Accordingly, the tenure of M/s. M C Asawa & Co. will expire at the ensuing 34th Annual General Meeting pursuant to Section 139 of the Companies Act, 2013. The Board of Directors, based on the recommendation of the Audit Committee, has proposed the appointment of M/s. Haziyani & Associates, Chartered Accountants (Firm Registration No. 030087C), as Statutory Auditors of the Company for a term of five consecutive financial years, i.e., from FY 2025-26 to FY 2029-30, to hold office from the conclusion of the 34th Annual General Meeting until the conclusion of the 39th Annual General Meeting of the Company to be held in 2030.

M/s. Haziyani & Associates is a peer-reviewed firm. The Company has received a certificate from M/s. Haziyani & Associates confirming that their proposed appointment, if made, will be in accordance with Section 141 of the Companies Act, 2013.

The Board recommends their appointment as set out in Item No. 3 of this Notice.

Item No 4

The Board of Directors appointed Mr. Vipul Desai (DIN: 02074877) an Additional Director of the Company with effect from August 12, 2025; pursuant to the provisions of Section 161 of the Companies Act, 2013. Mr. Vipul Desai holds office up to the date of Annual General Meeting and is eligible for appointment as a Director.

None of the Directors or Key Managerial Personnel of the Company or their relatives except Mr. Vipul Desai is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

The brief profile of Mr. Vipul Desai is annexed in the notice.

Item No 5

The Board of Directors has appointed Mr. Vipul Desai (DIN: 02074877) as an Independent Director of the Company with effect from August 12, 2025 in accordance with Section 149, 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule IV of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Vipul Desai has confirmed that he is not disqualified from being appointed as an Independent Director under Section 164 of the Act and has given a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Accordingly, the Board of Directors recommends the Resolution for approval of the Members for the appointment Mr. Vipul Desai as an Independent Director of the company for a term of 3 (Three) consecutive years commencing from August 12, 2025 up to August 11, 2028.

A copy of the draft letter of appointment of Mr. Vipul Desai, setting out the terms and conditions of his appointment, is available for inspection by Members at the Registered Office of the Company during business hours (except Saturdays, Sundays and public holidays) and will also be available at the venue of the AGM until its conclusion.

Details of Mr. Vipul Desai, as required under Regulation 36(3) of the SEBI Listing Regulations and other applicable provisions, are provided in Annexure II to this Notice.

Mr. Vipul Desai does not hold any equity shares in the Company, either by himself or for any other person on a beneficial basis.

None of the Directors or Key Managerial Personnel of the Company or their relatives, except Mr. Vipul Desai, is concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of this Notice.

The Board recommends the Ordinary Resolution at Item No. 5 for approval of the Members.

Item No 6

The Board of Directors appointed M/s. S K Agarwal & Associates, Practicing Cost Accountants (Firm Registration No. 100322), as Cost Auditors of the Company for the Financial year 2024-25, at a remuneration of ₹70,000/- plus applicable taxes and out-of-pocket expenses, in terms of Section 148 of the Companies Act, 2013.

The remuneration recommended by the Audit Committee and approved by the Board is required to be ratified by the Members of the Company, in accordance with Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution at Item No. 6 for approval of the Members.

Item No 7

The Board of Directors appointed M/s. S K Agarwal & Associates, Practicing Cost Accountants (Firm Registration No. 100322), as Cost Auditors of the Company for the financial year 2025-26, at a remuneration of ₹70,000/- plus applicable taxes and out-of-pocket expenses, in terms of Section 148 of the Companies Act, 2013.

The remuneration recommended by the Audit Committee and approved by the Board is required to be ratified by the Members of the Company, in accordance with Section 148(3) of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise, in this resolution.

The Board recommends the Ordinary Resolution at Item No. 7 for approval of the Members.

DETAILS PURSUANT TO REGULATION 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CLAUSE 1.2.5 OF THE SECRETARIAL STANDARD-2:

Name of Director	Mrs. Mridu Arora	Mr. Vipul Desai
Date of Birth	24/07/1976	27/12/1955
Age	49 Years	69 Years
Date of Appointment	12/08/2015	12/08/2025
Qualifications	M.A.	B.Com (Hons), LLB, FCS, ACMA, Hon. ACIA (Florida, USA)
Experience	more than 13 years	More than 45 years
Expertise in specific functional areas	Designing and Resource Management	Strategist, Economist, Fiscal and Governance Professional
Terms and condition of appointment / re-appointment along with remuneration to be drawn	Retire by rotation: Liable to retire by rotation. Duties: To adhere as provided under Section 166 of the Act. Code of Conduct: Abide by the Code of Conduct devised by the Company. Remuneration: NIL	Retire by rotation: Not Liable to retire by rotation. Duties: To adhere as provided under Section 166 of the Act. Code of Conduct: Abide by the Code of Conduct devised by the Company. Remuneration: NIL
Relationship with other Directors, Manager and other KMP	Spouse of Mr. Sandeep Arora, Managing Director of the Company	Nil
No. of Board meeting attended during the year	6	N.A.
Directorships held in other companies (excluding foreign companies)	Nil	4
Memberships / Chairmanships of Committees of the Company	- Member of Nomination and Remuneration Committee - Member of Stakeholders Relationship Committee	- Chairman of Audit Committee - Member of Nomination and Remuneration Committee
Memberships / Chairmanships of Committees of the other Company	Nil	(a) National Plastics Ltd (listed) - Chairman of Nomination and Remuneration Committee - Member of Audit and Stakeholders Relationship Committee (b) Suashish Diamonds Ltd (unlisted) - Chairman of Audit and Nomination and Remuneration Committee (c) Salvi Chemical Industries Ltd (unlisted) - Chairman of Audit Committee - Member of Nomination and Remuneration Committee
Number of shares held in the Company	Nil	Nil

For Sonal Adhesives Limited

Sd/-
Mridu Arora
Director
DIN: 07260461

Sd/-
Sandeep Arora
Managing Director
DIN: 00176939

Date: 12/08/2025

Place: Khopoli

DIRECTORS' REPORT

DEAR MEMBERS

Your directors have pleasure in presenting 34th Annual Report for the financial year 2024-25 along with Audited Financial Statements for the year ended on March 31, 2025.

FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2025 is summarized below:

(Rs. in lakhs)

Particulars	Year Ended March 31, 2025	Year Ended March 31, 2024
Income from operations	11033.26	10065.11
Income from other sources	133.78	98.75
Total Income	11167.04	10163.86
Profit(Loss) before Finance Cost & Depreciation	445.85	386.16
Less: Finance Cost	129.12	66.55
Less: Depreciation	74.20	70.37
Profit(Loss) Before tax	242.53	249.24
<u>Tax Expenses</u>		
Current Tax	50.32	56.92
Deferred Tax Expense / Credit	10.08	6.88
Short provision for tax relating to prior year	5.63	-
Profit(Loss) for the year	176.49	185.45

DIVIDEND

Your directors do not recommend any Dividend for the year under review.

All the unclaimed / unpaid dividends lying with the Company are transferred to Investor Education Protection Fund. There was no amount due for transfer to IEPF during the Financial Year.

RESERVES

No amount has been proposed to be carried to Reserves during the year.

PRODUCTS & BUSINESS

The Company is engaged in the manufacture of adhesive tapes, specialty adhesives, and emulsions.

Revenue and Profits	The financial year 2024-25 was very encouraging, with the company reporting a Turnover of the Company is Rs. 11,033.25 lakhs in current year compared to Rs. 10,065.11 lakhs in previous year, registering a growth of 9.62%. The export turnover stood at Rs. 1,657.08 lakhs as against Rs. 2,608.45 lakhs in the previous year. Despite the higher revenues, profitability was impacted due to increased costs of raw materials, finance, and administration. As a result, the Company recorded a Net Profit of Rs. 176.49 lakhs as against Rs. 185.45 lakhs in the previous year.
Market environment and Future Prospects	The Indian adhesives market continued its steady growth trajectory in 2024–25, with the overall market size estimated between USD 2.40–2.87 billion. Projections indicate a compound annual growth rate (CAGR) of around 6–7%, taking the market to approximately USD 2.55–3.07 billion in 2025. This expansion is being driven by rising demand from packaging, construction, automotive, and consumer goods industries. For self-adhesive tape manufacturers, these trends reaffirm the increasing role of reliable, high-performance adhesive solutions in modern packaging. Within this landscape, the BOPP films and tapes segment has emerged as a key growth area. In 2024, the Indian BOPP films market was valued in the range of USD 722 million to USD 2.16 billion, with projections for 2025 placing it between USD 752 million and USD 2.31 billion. The segment is expected to grow at a 4–7% CAGR over the next decade, supported by strong demand from e-commerce, FMCG, pharmaceuticals, and logistics sectors where secure, durable, and customizable packaging solutions are critical. Looking ahead, the Company is well-positioned to benefit from these opportunities. With increasing adoption of automation, growing preference for organized, branded packaging products, and the industry's shift towards sustainable and eco-friendly solutions, there is significant scope for scaling operations and enhancing value-added offerings. Your Company will continue to focus on innovation in product quality, printing, and coating technologies, while strengthening its export presence to capture opportunities in both domestic and global markets.

CODE OF CONDUCT

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year 2024-25. A declaration to this effect as required under regulation 26(3) read with Schedule V (D) of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 ("Listing Regulations"), from the Managing Director of the Company is given below to this report.

Declaration by the Managing Director:

I hereby confirm that the Company has obtained from all the members of the Board and senior management an affirmation that they have complied with Code of Conduct and ethics for the Director and Senior Management in respect of the financial year 2024-25.

Sd/-
Sandeep Arora
Managing Director
DIN: 00176939

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In accordance with the provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, Mrs. Mridu Arora, Director (DIN: 07260461), is liable to retire by rotation and, being eligible, has offered herself for re-appointment at the ensuing Annual General Meeting.

The Independent Directors of the Company have submitted declarations confirming that each of them meets the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. There has been no change in circumstances affecting their status as Independent Directors during the year.

Mr. Nitin Rane, Independent Director, will cease to hold office as an Independent Director of the Company w.e.f. September 25, 2025 (the date of the Annual General Meeting), upon completion of his tenure.

The Board of Directors has appointed Mr. Vipul Desai (DIN: 02074877) as an Additional Director of the Company, designated as an Independent Director, effective August 12, 2025, subject to the approval of the Members. Mr. Vipul Desai has submitted a declaration confirming that he meets the independence criteria under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Board recommends his appointment as an Independent Director for a term of three (3) consecutive years commencing from August 12, 2025, up to August 11, 2028.

The Board affirms that all Independent Directors appointed during the financial year have demonstrated the highest standards of integrity and possess the requisite expertise, qualifications, and relevant industry experience (including proficiency) as mandated under the Companies Act, 2013, and the Listing Regulations.

The Composition of the Board and KMP as on financial year end is as under:

- (1) Mr. Nitin Rane - Non-Executive Independent Director (Chairman)
- (2) Mr. Sandeep M. Arora - Managing Director (KMP)
- (3) Mrs. Mridu Arora - Non-Executive Director
- (4) Mr. Tejas Shah - Non-Executive Independent Director
- (5) Mr. Ajeet Singh - Chief Financial Officer (KMP)
- (6) Ms. Anuradha Dubey - Company Secretary (KMP)

The following policies are available on the Company's website at <https://sonal.co.in/investor-relations/policy-conduct/>

- a) Policy for Selection of Directors and Determining Directors' Independence; and
- b) Remuneration Policy for Directors, Key Managerial Personnel and other employees.

NUMBER OF MEETINGS

The Meetings held during the financial year 2024-25 are as under:

Type of Meeting	Date of Meeting	Attendance
Board	28/05/2024	4/4
Board	12/08/2024	4/4
Board	14/11/2024	4/4
Board	31/01/2025	4/4
Board	11/02/2025	4/4
Board	28/03/2025	4/4
Audit Committee	28/05/2024	3/3

Type of Meeting	Date of Meeting	Attendance
Audit Committee	12/08/2024	3/3
Audit Committee	14/11/2024	3/3
Audit Committee	11/02/2025	3/3
Nomination and Remuneration Committee	12/08/2024	3/3
Nomination and Remuneration Committee	11/02/2025	3/3
Nomination and Remuneration Committee	28/03/2025	3/3
Stakeholder Relationships Committee	01/04/2024	3/3

VARIOUS COMMITTEES OF THE BOARD AND THEIR COMPOSITIONS

The composition of the various committees of the Board as on March 31, 2025, is as under:

A]	Audit Committee	Mr. Nitin Rane - Chairman Mr. Tejas Shah Mr. Sandeep Arora
B]	Nomination Remuneration Committee	Mr. Tejas Shah - Chairman Mr. Nitin Rane Mrs. Mridu Arora
C]	Stakeholder Relationship Committee	Mr. Tejas Shah - Chairman Mrs. Mridu Arora Mr. Sandeep Arora

BOARD EVALUATION

The Board of Directors has carried out the annual performance evaluation of the Board, its committees, and individual Directors pursuant to the provisions of the Companies Act and Listing Regulations.

The evaluation of the Board was conducted after obtaining inputs from all Directors, based on parameters such as Board composition, structure, effectiveness of processes, quality of information, and overall functioning.

The performance of the Committees was evaluated on the basis of their composition, frequency and effectiveness of meetings, and overall contribution to governance.

The Nomination & Remuneration Committee (NRC) also reviewed the performance of individual Directors, considering factors such as preparedness, meaningful participation, and constructive contributions in Board and Committee meetings. The Chairman was evaluated separately on key aspects of his leadership role.

In a separate meeting of Independent Directors, the performance of the Non-Independent Directors, the Board as a whole, and the Chairman was assessed. The outcome of this evaluation was subsequently discussed at the Board Meeting, ensuring a comprehensive review.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that:

- In the preparation of the annual accounts for the year ended March 31, 2025, the applicable accounting standards have been followed and there are no material departures;
- The Directors have selected and consistently applied appropriate accounting policies, making judgments and estimates that are reasonable and prudent, to give a true and fair view of the state of affairs of the Company as at March 31, 2025, and of its profit/loss for the year then ended;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a 'going concern' basis;
- The Directors have laid down internal financial controls to be followed by the Company and such controls are adequate and operating effectively; and
- The Directors have devised proper systems to ensure compliance with all applicable laws and such systems are adequate and operating effectively.

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2025, in Form MGT-7, prepared in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the Company's website at <https://sonal.co.in/investor-relations/general-meeting/>

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. These controls were reviewed and tested during the year, and no material weakness in design or operation was observed.

STATUTORY AUDITORS

At the 29th Annual General Meeting held on December 26, 2020, M/s M C Asawa & Co., Chartered Accountants (Firm Registration No: 008041C), were appointed as the Statutory Auditors of the Company to hold office for a term of five years, up to the conclusion of the 34th AGM to be held in 2025.

Accordingly, their tenure will expire at the ensuing AGM. Based on the recommendation of the Audit Committee, the Board proposes the appointment of M/s Haziyani & Associates (FRN: 030087C), Chartered Accountants, as the Statutory Auditors of the Company for a period of five consecutive financial years, from FY 2025-26 to FY 2029-30, i.e., from the conclusion of the 34th AGM until the conclusion of the 39th AGM to be held in 2030.

M/s Haziyani & Associates is a peer-reviewed firm and has furnished a certificate confirming that their appointment, if approved, will be in compliance with the requirements of Section 141 of the Companies Act, 2013. The Board recommends their appointment.

Auditors' Report

The Auditors' Report for FY 2024-25 forms part of this Annual Report and contains no qualifications or adverse remarks.

Reporting of Frauds

During the year under review, the Statutory Auditors have not reported any instance of fraud under Section 143(12) of the Companies Act, 2013.

SECRETARIAL AUDITOR

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Prashant Diwan, Company Secretary in Whole-Time Practice, to conduct Secretarial Audit for the financial year 2024-25.

The Secretarial Audit Report given by the Secretarial Auditor is annexed to this Board Report as **Annexure I**. The Secretarial Audit Report is unqualified.

COST RECORDS AND AUDIT

The Company maintains cost records as required under Section 148(1) of the Companies Act, 2013. Further, M/s S K Agarwal & Associates (FRN: 100322) has been appointed as the Cost Auditors for FY 2024-25.

DEPOSITS

During the year under review, the Company has neither accepted nor renewed any public deposits nor has it received any loan from Directors or their relatives.

The details as required under Chapter V of the Act are as follows:

(a)	Accepted during the year;	Nil
(b)	Remained unpaid or unclaimed as at the end of the year;	Nil
(c)	whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-	
	(i) at the beginning of the year;	Nil
	(ii) maximum during the year;	Nil
	(iii) at the end of the year;	Nil
	(vi) the details of deposits which are not in compliance with the requirements of Chapter V of the Act;	Nil
	(vii) the details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future;	Nil
	(viii) the details in respect of adequacy of internal financial controls with reference to the Financial Statements.	Nil

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED UNDER SECTION 186 OF THE COMPANIES ACT, 2013

The Company has not given any loans or guarantee nor has it made any investments in other bodies corporate and persons during the year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All Related Parties Transactions entered by the Company during the Financial Year 2024-25 were in the ordinary course of business and on an arm's length pricing basis. The details of Related Parties Transactions are given in Note 39 in Notes to Accounts of the Financial Statements for the year ended March 31, 2025. There is no material related party transaction hence disclosure in Form AOC-2 is not applicable.

The Related Party Transactions policy as approved by the Board of Directors is disclosed on the Company's website at <https://sonal.co.in/investor-relations/policy-conduct/>

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture, or Associate Company. The Company is an Associate of Sonal Impex Limited.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in **Annexure II** to this Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The particulars of employees required to be furnished pursuant to Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed herewith as **Annexure III** to this Report. However, as per the provisions of Section 136 of the Act, the Annual Report is being sent to all Members of the Company.

During the year under review, none of the employees of the Company was in receipt of remuneration aggregating Rs. 1,02,00,000/- or more per annum, if employed throughout the year or Rs. 8,50,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under sub-rules 2 and 3 of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CORPORATE GOVERNANCE

The Company is committed to good Corporate Governance in line with Listing Regulation. However, since the Net worth and paid-up capital of the Company is below Rs. 25 Crores and Rs. 10 Crores respectively the Regulation 27 and Para C, D and E of Schedule V of the Listing Regulations are not applicable and hence Corporate Governance Report does not form part of this Annual Report.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, a brief note on Management Discussions and Analysis of the results for the year under review is given in **Annexure IV** which forms part of the Directors' Report.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT (CSR)

The provisions of Section 135 of the Act regarding Corporate Social Responsibility are not applicable to the Company as the Company is not falling under the said parameters.

VIGIL MECHANISM

The Company has established a Vigil Mechanism, which also incorporates a Whistle Blower Policy in terms of the Listing Regulations. The mechanism includes an Ethics & Compliance Task Force comprising Senior Executives of the Company. Protected disclosures may be made by a Whistle Blower through e-mail, dedicated telephone line, or in writing to the Task Force or directly to the Chairman of the Audit Committee.

The Company affirms that no Director or employee has been denied access to the Chairman of the Audit Committee and no complaints were received during the year.

The Policy on vigil mechanism and whistle blower policy is available on the Company's website at web link <https://sonal.co.in/investor-relations/policy-conduct/>

SECRETARIAL STANDARDS

The applicable Secretarial Standards, namely SS-1 on *Meetings of the Board of Directors* and SS-2 on *General Meetings*, issued by the Institute of Company Secretaries of India (ICSI), have been duly complied with by your Company.

SEXUAL HARASSMENT

The Company has complied and constituted Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The details of instances are given here under:

number of complaints of sexual harassment received in the year	number of complaints disposed off during the year	number of cases pending for more than ninety days
Nil	Nil	Nil

DETAILS OF EMPLOYEES

The number of employees as on the closure of financial year ended 31/03/2025 are as under:

Female	5
Male	20
Transgender	0
Total	25

The Company has complied with the provisions relating to the Maternity Benefit Act 1961

GENERAL

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

1. The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.
2. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
3. There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year.
4. There was no issuance of equity shares with differential rights regarding dividend, voting, or otherwise, and no issuance of shares under the Employees Stock Option Scheme as per the provisions of Section 62(1)(b) of the Act, read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
5. There was no issuance of shares (including sweat equity shares) to employees of the Company under any scheme.
6. No voting rights were exercised in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013.

ACKNOWLEDGEMENT

Your directors place on record their sincere appreciation for the dedication and hard work of all employees. The Board also acknowledges the support and co-operation received from its Bankers, Government authorities, customers, suppliers, and stakeholders during the year under review.

For Sonal Adhesives Limited

Sd/-
Mridu Arora
Director
DIN: 07260461

Sd/-
Sandeep Arora
Managing Director
DIN: 00176939

Place: Khopoli

Dated: 12.08.2025

ANNEXURE - I
SECRETARIAL AUDIT REPORT
FORM NO. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2025

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

To

The Members

Sonal Adhesives Limited

Plot No. 28/1A, Takai-Adoshi Road

PO Khopoli Tal Khalapur

Dist Raigad Khopoli - 410203

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sonal Adhesives Limited** having CIN: L02004MH1991PLC064045 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (c) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

As per the representations made by the management and relied upon by me, during the period under review, provisions of the following regulations/guidelines were not applicable to the Company:

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

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

- (i) Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India under the Companies Act, 2013.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is generally given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through and as informed, there were no dissenting members' views and hence not recorded as part of the minutes.

I further report that as per the representations made by the management and relied upon by me, there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; however the same may be further strengthened.

As per the representations made by the management and relied upon by me, I further report that, there were no specific events / actions taken place, having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations, guidelines etc.

Sd/-

CS Prashant Diwan
Practicing Company Secretary
FCS: 1403 CP: 1979

Date: 12.08.2025

PR: 1683/2022

Place: Mumbai

UDIN: F001403G000991282

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

Annexure "A"

To

The Members

Sonal Adhesives Limited

Plot No. 28/1A, Takai-Adoshi Road

PO Khopoli Tal Khalapur

Dist Raigad Khopoli - 410203

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

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

Sd/-

CS Prashant Diwan
Practicing Company Secretary
FCS: 1403 CP: 1979

Date: 12.08.2025

PR: 1683/2022

Place: Mumbai

UDIN: F001403G000991282

ANNEXURE-II

PARTICULAR OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS OF THE COMPANIES) RULES, 2014.

In terms of Section 134 (3) (m) of the Companies Act, 2013 and the Companies (Accounts of Companies) Rule, 2014, your Directors furnish hereunder the additional information, which form part of the Directors' Report:

Conservation of energy:

- Energy conservation measures were implemented.
- Additional investments and proposals, if any, are being carried out to further reduce consumption.
- The impact of the measures in points (1) and (2) on energy consumption and the consequent effect on the cost of production.
- The total energy consumption and energy consumption per unit of production are as follows: (Amount in Rs.)

Particulars		Year Ended 31.03.2025	Year Ended 31.03.2024
Power and Fuel Consumption			
1. Electricity			
A) Purchase			
Unit	Rs.	16352230	1248900.00
Total Amount	Rs.	1304744	13403803.61
Rate/Unit		12.533	10.732
B) Own generation (Through D.G. Set)			
Diesel Oil Consumed (Unit)	Kgs	9250.00	2000.00
Total Amount	Rs.	844184.35	186360.00
Avg. per Kg	Rs.	91.26	93.18
2. Furnace Oil			
Quantity	Kgs	43100.466	50177.00
Total Amount	Rs.	2511355.03	2891198.74
Avg. per Kgs	Rs.	58.27	57.62
3. Briquettes			
Quantity	Kgs	1450360.00	15,25,000.00
Total Amount	Rs.	10077106.78	11147750.00
Avg. Per Kg	Rs	6.95	7.31

Technology Absorption:

The Company does not need any technology for its existing business.

Foreign Exchange Earnings and Outgo:

(Rs. In lakhs)

	Year Ended 31.03.2025	Year Ended 31.03.2024
Foreign Exchange Outgo	471.41	231.32
Foreign Exchange Earned	1792.14	2340.13

For Sonal Adhesives Limited

Sd/-
Mridu Arora
Director
DIN: 07260461

Sd/-
Sandeep Arora
Managing Director
DIN: 00176939

Place: Khopoli

Dated: 12.08.2025

ANNEXURE III

REMUNERATION DETAILS PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

- The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2024-25:

Name of Director	Remuneration (Rs.)	Median Remuneration of Employees	Ratio
Mr. Sandeep M. Arora	24,00,000	4,41,699	5.43 : 1

- Percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary in the Financial Year 2024-25:

Name	Designation	% increase / (decrease) in remuneration
Mr. Sandeep M. Arora	Managing Director	0.00%
Mr. Ajeet Singh	Chief Financial Officer	3.03%
Ms. Anuradha Dubey	Company Secretary	30.07%

- Percentage increase in the median remuneration of employees in the Financial Year 2024-25 is 14.37%.
- The number of permanent employees on the rolls of the Company as on 31st March, 2025 is 25.
- The average increase in the salary of the employees other than the managerial personnel in FY 2024-25 is 15.14% and increase in the salary of managerial personnel is 3.25%. The increment given to each individual employee is based on the employees' potential, experience as also their performance and contribution to the Company's progress over a period of time and also as per market trend.
- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company.

For Sonal Adhesives Limited

Sd/-
Mridu Arora
Director
DIN: 07260461

Sd/-
Sandeep Arora
Managing Director
DIN: 00176939

Place: Khopoli

Dated: 12.08.2025

MANAGEMENT DISCUSSION AND ANALYSIS

(a) Industry Structure and Outlook

The Indian adhesives market was valued between USD 2.4–3.1 billion in 2024, depending on the source, and is projected to grow at a CAGR of approximately 6–7% over the next 5–10 years. This growth is being fueled by rising demand in packaging, construction, automotive, and consumer goods. Within this market, self-adhesive products such as BOPP tapes have emerged as a high-demand segment, owing to their cost efficiency, reliability, and wide applicability in everyday packaging needs.

The Indian packaging industry, though highly fragmented, is undergoing rapid transformation, driven by robust demand from e-commerce, FMCG, pharmaceuticals, and retail sectors. The sector comprises both organized players and numerous unorganized units, but there is a noticeable shift toward consolidation, premium quality, and sustainable packaging solutions. As part of this trend, BOPP self-adhesive tapes continue to witness increasing consumption due to their versatility, ability to support branding through printing, and eco-friendly advancements.

For FY 2024–25, the demand for BOPP tapes remained resilient and encouraging, supported by the growing penetration of online retail, logistics, and last-mile delivery. The industry is also witnessing a move towards value-added offerings such as eco-friendly, printed, and customized tapes, aligned with the packaging sector's focus on sustainability and efficiency. Export opportunities are also expanding, with Indian manufacturers gaining competitive advantage through cost optimization and reliable supply capabilities in global markets.

Looking ahead, the medium to long-term outlook for BOPP self-adhesive tapes remains positive and sustainable. Growth will continue to be driven by rising consumption, adoption of recyclable and green materials, and automation in packaging processes. However, challenges persist in the form of raw material price volatility and global supply chain disruptions, particularly in crude-based polymers. Companies that emphasize innovation, technology absorption, and strong customer relationships will be best positioned to capitalize on the opportunities in both domestic and export markets.

(b) Threats, Opportunities, Risks and concerns

The Company operates in a sector with strong long-term growth prospects, driven by rising demand from packaging-intensive industries such as e-commerce, FMCG, retail, and pharmaceuticals. Growing awareness of sustainable packaging, increasing automation in logistics, and expanding export opportunities provide a favorable environment for BOPP self-adhesive tapes. The Company is well-placed to leverage these opportunities through technology upgrades, product innovation, and cost-efficient operations.

At the same time, the business remains exposed to challenges such as volatility in crude oil and polymer prices, which significantly affect raw material costs, as well as foreign exchange fluctuations on imports and exports. Competitive pressures from both organized and unorganized players, rising compliance requirements, and global supply chain uncertainties also pose risks. While these factors may impact margins in the short term, the Company continues to mitigate them through prudent financial management, operational efficiency, and a focus on value-added solutions.

(c) Segment-wise or product-wise performance

During the year under review, the Company's BOPP Self-Adhesive Tapes segment continued to be the primary revenue driver, supported by strong demand from the packaging sector, especially e-commerce, FMCG, and retail. The Company reported steady growth in domestic markets while achieving a significant increase in export turnover, reflecting its growing acceptance in international markets. Continuous efforts in product quality improvement and operational efficiency have helped the Company maintain its competitive position despite fluctuations in input costs.

The Specialty Adhesives and Emulsions segment also performed well, with demand driven by the growth in paper, board, and packaging applications across multiple industries. Products marketed under the brand names SONAL and ADICRYL retained strong market recognition and customer confidence. Exports to regions such as Spain, Nigeria, Germany, the Middle East, and Africa further strengthened the segment's global footprint. With a robust product portfolio and increasing preference for acrylic-based adhesives, the Company remains confident of sustaining profitable growth across both segments in the coming years.

(d) Internal Control Systems and their adequacy

The Company's operating and business control procedures have been framed in order that they ensure efficient use of resources and comply with the procedures and regulatory requirements. The Company has a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transaction is authorized, recorded and reported correctly. The Board has also appointed Internal Auditors to more strengthen the internal control system.

(e) Financial Performance with respect to Operational Performance

The Company's financial risk management remains a critical part of its overall business strategy, focusing on identifying,

assessing, and mitigating potential risks. The key financial risks faced include market risk, credit risk, and liquidity risk. The Board of Directors regularly reviews and approves policies to ensure an effective framework for managing these risks.

During the year under review, the Company reported a Total Turnover of ₹11,033.25 lakhs, compared to ₹10,065.11 lakhs in the previous year, reflecting a growth of 9.62%. However, due to higher input costs, finance charges, and administrative expenses, the Net Profit stood at ₹176.49 lakhs, marginally lower than ₹185.44 lakhs earned in the previous year.

The Company has also recorded a satisfactory performance in the first quarter of FY 2025–26, with turnover growth indicating a positive outlook. A quarter-wise comparison of performance is presented below for reference.

(Amt in Lakhs)

Particulars	Quarter ended 30.06.2025	Quarter ended 31.03.2025	Quarter ended 30.06.2024
Turnover	2828.75	3181.40	2488.13

(f) Human Resources / Industrial Relations front, including number of people employed

The Company places the utmost importance on the well-being of its employees and is proud to have many long-serving team members who have built their careers with Sonal Adhesives. We strongly believe in fostering long-term relationships and providing employees with ample opportunities for professional and personal growth. Our Human Resource practices are closely aligned with the Company's strategic objectives, supporting our mission to maximize the potential of our greatest assets—our people. By embracing change and the opportunities it presents, we continue to nurture a culture of commitment, quality service, and customer-centricity. We remain dedicated to recruiting, developing, rewarding, and retaining talent that drives our success.

As on 31st March 2025, the total number of personnel employed (staff and workers) stood at **33**.

(g) Details of significant changes in key financial ratios

In line with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to disclose details of significant changes (i.e., change of 25% or more compared to the immediately preceding financial year) in key financial ratios, along with explanations for such changes.

The Company has identified the following as its key financial ratios:

Particulars	FY 2024-2025	FY 2023-24	% Change	Reason for change of 25% or more as compared to the immediately previous financial year
Debtors Turnover	8.95	9.60	(6.83%)	Not a significant change
Inventory Turnover	8.25	7.49	10.10%	Not a significant change
Interest Coverage Ratio	0.35	0.21	64.87%	The Company has raised an unsecured loan for meeting working capital requirements, leading to a change in the Interest Coverage Ratio.
Current Ratio	0.92	1.07	(13.84)	Not a significant change
Debt Equity Ratio	1.67	1.13	46.74%	The Company has raised an unsecured loan for meeting working capital requirements, resulting in a higher Debt-Equity Ratio.
Operating Profit Margin (%)	2.17	2.45	(11.44%)	Higher material costs and incremental interest cost led to a decline in Operating Profit Margin.
Net Profit Margin	1.60	1.84	(32.24%)	Lower margins due to higher interest cost and tax liability compared to the previous year.
Return on Net Worth	0.20	0.26	(23.48%)	Reduction is due to higher interest expenses arising from working capital loans, impacting net profitability.

(h) Accounting Treatment

The Company has complied with all the Accounting Standards and applicable provisions of law in the preparation of its financial statements. There have been no deviations from the prescribed accounting treatments, and all applicable standards have been consistently applied.

For Sonal Adhesives Limited

Sd/-
Mridu Arora
Director

DIN: 07260461

Sd/-
Sandeep Arora
Managing Director

DIN: 00176939

Place: Khopoli

Dated: 12.08.2025

INDEPENDENT AUDITOR'S REPORT

To The Members of Sonal Adhesives Limited

Report on the Audit of the Standalone IND AS Financial Statements

Opinion

I have audited the accompanying standalone IND AS financial statements of **Sonal Adhesives Limited, ('the Company')**, which comprise the Balance Sheet as at 31 Mar 2025, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid standalone IND AS 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 including Indian Accounting Standards('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2025, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined the matters described below to be the key audit matters to be communicated in my report.

a) Revenue recognition from sale of goods	Our audit procedures included the following: - Assessed the appropriateness of the Company's revenue recognition accounting policies, including those relating to rebates and trade discounts by comparing with the applicable accounting standard – Ind AS 115 ("Revenue from Contracts with Customers"); - Evaluated the design, implementation and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general information and technology control environment, key IT application controls over recognition of revenue. - Performed substantive testing including analytical procedures on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable. - Understood and evaluated the Company's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes. - Performed analytical review procedures on revenue recognised during the year to identify any unusual variances. - On a sample basis, performed balance confirmation and alternative procedures, where required, for the balance outstanding as on March 31, 2025. - Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognised in the appropriate financial period and in accordance with the applicable contractual terms with the relevant customer.
- The Company recognizes revenues when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. In determining the sales price, the Company considers the effects of rebates and discounts (variable consideration). The terms of arrangements in case of domestic and exports sales, including the timing of transfer of control, the nature of discount and rebates arrangements, delivery specifications and other contractual and commercial terms, are relevant factors in determining the timing and value of revenue to be recognized. The Company considers revenue as a key performance measure which could create an incentive for overstatement revenue. - Owing to the volume of sales transactions spread across various locations and geographies along with varied terms of contracts with customers, there is a risk of revenue being recognized before control is transferred.	

a) Revenue recognition from sale of goods Based on above, revenue recognition has been considered as a key audit matter for the current year's audit.	- Tested manual journal entries posted to revenue to identify any unusual items. - Assessed the appropriateness of disclosures in the financial statements in respect of revenue recognition in accordance with the applicable requirements.
b) Contingencies Note No. 32 to the standalone IND AS Financial Statements which inter-alia describes the uncertainty related to the outcome of the Certain Tax Litigation against the Company	Our audit procedures included and were not limited to the following: - Tested the design, implementation and operating effectiveness of the controls established by the Company in the process of evaluation of litigation matters. - Assessed the management's position through discussions with the in-house legal expert and external legal opinions obtained by the Company (where considered necessary) on both, the probability of success in the aforesaid cases, and the magnitude of any potential loss. - Discussed with the management on the developments in respect of these litigations during the year ended 31st March 2025 till the date of approval of the financial statements. - Reviewed the disclosures made by the Company in the financial statements. - Obtained Management representation letter on the assessment of these matters.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is no material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibility of Management for the Standalone IND AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone IND AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone IND AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, I am also responsible for explaining my opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial Statements may be influenced. I consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of my work; and (ii) to evaluate the effect of any identified misstatements in the standalone Financial Statements.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

I am independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Standalone Financial Statements and I have fulfilled my other ethical responsibilities in accordance with these requirements.

Report on other legal and regulatory requirements

- i. As required by The Companies (Auditors Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of subsection(11) of section 143 of the Act, I give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said order.
- ii. As required by section 143(3) of the Companies Act 2013, based on my audit I report to the extent applicable that:
 - a. As described in the Basis of Opinion Paragraph, I was able to obtain all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit;
 - b. In my opinion proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
 - c. The Company has no branches hence, the provisions of section 143(3)(c) is not applicable.
 - d. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
 - e. Except for the effects of the matter described in the Basis for Qualified / Disclaimer Opinion / Key Audit Matters/ Other Matter paragraphs in my opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act;
 - f. There are no observations or comments on financial transactions or matters which have any adverse effect on the functioning of the company.

- g. On the basis of written representations received from the directors as on 31st March, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025, from being appointed as a director in terms of Section 164(2) of the Act.
- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to separate report in "Annexure B",
- i. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- j. 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 my opinion and to the best of my information and according to the explanations given to me:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements- Refer Note 32 to the standalone IND AS financial statements;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
 - iii. The amounts which were required to be transferred to the Investor Education and Protection Fund by the Company have been transferred.
 - iv.
 1. The management has represented that, to the best of its knowledge and belief, as disclosed in note no. 40(d) to the accounts, No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and joint venture company incorporated in India or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 2. The management has represented, that, to the best of its knowledge and belief, as disclosed in note no. 40(e) to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 3. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of rule 11(e) as provided under clause (1) and (2) contain any material misstatement.
 - v. The company has neither declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.
 - vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2025, which has a feature of recording audit trail (edit log) facility and the same has been operative throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.
 - vii. The audit trail has been preserved by the Company as per the statutory requirements for record retention.

M. C. Asawa & Co.
Chartered Accountants
FRN: 008041C

Mukund Sarda
Proprietor
M. No. 163405

Place: Khopoli
Date: 29th May, 2025

ANNEXURE- A TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to my Independent Auditors' Report to the members of the company on the standalone IND AS financial statements for the year ended 31st March 2025, I report that:

1. Details of tangible and intangible assets
 1. The company has maintained proper records showing full particulars, including quantitative details and situation of tangible and intangible assets.
 2. Fixed assets have been physically verified by the management at reasonable intervals. I have been informed that no material discrepancies were noticed on such verification.
 3. Whether the material discrepancies, if any, noticed on physical verification have been accounted for in the books of accounts.
 4. According to the information and explanations given to me and on the basis of my examination of the records of the Company, all the title deeds of immovable properties are held in the name of the Company, except properties which are leased by the company with duly executed lease agreements in the company's favour.
 5. No revaluation has been done by the company of its property, plant and equipment (including the right of use assets) or intangible assets or both during the year.
 6. No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. Details of inventory and working capital
 1. As explained to me, the inventory of the company has been physically verified by the management during the year at reasonable intervals and no material discrepancies were noticed on physical verification.
 2. The company, during any point of time of the year has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.
 3. As company has no sanctioned working capital, there are no quarterly returns or statements filed by the company with financial institutions or banks. Thus, this clause is not applicable.
3. Details of investments, any guarantee or security or advances or loans given
 1. As per the information and explanations given to me and the records produced before me for my verification, the Company has not granted unsecured loan to companies, firms, LLPs or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, clause 3 (iii) (a) & (b) of the Order is not applicable to the Company.
4. Compliance in respect of a loan to directors
 1. The company has not given any loans to directors or any other person in whom the director is interested, or made any investments.
5. Compliance in respect of deposits accepted
 1. The company has not accepted deposits or deemed deposits, compliance with the provisions prescribed for accepting deposits under section 73 to 76 of the Companies Act, 2013 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
6. **Maintenance of Cost Records**
 1. As per the information and explanations provided to us, the Company has maintained cost records as prescribed by the Central Government under Section 148(1) of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014.
 2. Based on the information made available, we further report that cost audit is applicable to the Company, and a qualified cost auditor has been duly appointed and the cost audit has been conducted in accordance with the applicable provisions of the said Rules.
7. Deposit of statutory liabilities
 1. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
 2. There were no undisputed amounts payables in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2025 for a period of more than six months from the date they became payable

3. The Company has no disputed statutory dues pending to be deposited as on 31st March 2025 in respect of provident fund, employees state insurance, income tax, good and service tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it except for the following statutory dues:

Sr. No.	Name Of Statute	Nature of Dues	Period to Which Amount Relates	Forum Where Dispute is Pending	Amounts
1	GST	ITC dispute and Interest & Penalty	01/07/2017 to 31/03/2022	GST Appellate Tribunal	20,78,869.00*

8. Unrecorded income

1. Any transactions which are not recorded in the accounts have not been disclosed or surrendered before the tax authorities as income during the year.

9. Default in repayment of borrowings

1. The company has not made any default in the repayment of loans to banks, government, debenture-holders, etc. then the amount and period of default.
2. The company has not been declared a wilful defaulter by any bank or financial institution or any other lender.
3. Term loans have been used for the object for which they were obtained.
4. The company has not used funds raised for a short term basis for long term purposes.
5. The company has not raised any money from any person or entity for the account of or to pay the obligations of its associates, subsidiaries or joint ventures.
6. The company has not raised any loans during the year by pledging securities held in their subsidiaries, joint ventures or associate companies.

10. Funds raised and utilisation

1. The company has not raised any funds from a public offer (equity or debt capital) during the year. Thus, this clause is not applicable.

11. Fraud and whistle-blower complaints

1. There has not been any fraud by the company or any fraud done on the company. Thus, this clause is not applicable.

12. Compliance by a Nidhi

1. This clause is not applicable since the company is not a NIDHI company.

13. Compliance on transactions with related parties

1. Transactions with related parties are in accordance with the provisions of section 177 & 188.
2. Details of the same have been disclosed in the standalone IND AS financial statements.

14. Internal audit system

1. The company has an internal audit system in accordance with its size and business activities.
2. The reports of the internal auditors have been considered by the statutory auditor.
1. Non-cash transactions
2. The company has not undertaken non-cash transactions with their directors or other persons connected to the directors, the restrictions imposed are complied with.

15. Registration under Section 45-IA of RBI Act, 1934

1. The company is not required get registration u/s 45-IA of RBI Act, 1934. Thus, this clause is not applicable.

16. Cash losses

1. The company has not incurred any cash losses in the financial year.

17. Resignation of statutory auditors

1. During the year, there has not been any resignation of statutory auditors.

18. Material uncertainty

1. There is no existence of any material uncertainty on the date of the audit report on an evaluation of: – The ageing report, financial ratios and expected dates of realisation of financial assets and payment of financial liabilities, any other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans. – In our opinion the company can meet it's the liabilities which exist as at the balance sheet date when such liabilities are due in the future.

19. Transfer to fund specified under Schedule VII of Companies Act, 2013

1. This clause is not applicable in the current financial Year.

20. Qualifications or adverse auditor remarks in other group companies

1. There have not been any qualifications or adverse remarks in the audit reports issued by the respective auditors in case of companies included in the consolidated financial statements, to indicate the details of the companies and the paragraph numbers of the respective CARO reports containing the qualifications or adverse remarks.

M. C. Asawa & Co.
Chartered Accountants
FRN: 008041C

Place: Khopoli
Date: 29th May, 2025

Mukund Sarda
Proprietor
M. No. 163405

Annexure - B to the Auditors' Report

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

I have audited the internal financial controls over financial reporting of **Sonal Adhesives Limited** ("the Company") as of 31 March 2025 in conjunction with my audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and

directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In my opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

M. C. Asawa & Co.
Chartered Accountants
FRN: 008041C

Place: Khopoli
Date: 29th May, 2025

Mukund Sarda
Proprietor
M. No. 163405

Balance Sheet as at March 31, 2025

(Amount in Lakhs)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
A ASSETS			
1 Non-current assets			
(a) Property, Plant and Equipment	3	1,274.34	462.08
(b) Capital work in progress		-	-
(c) Financial Assets			
(i) Trade Receivables	8	96.22	221.26
(ii) Other financial assets	4	41.68	11.34
(d) Other Non Current Assets	5	0.21	3.50
(e) Non Current Tax Assets (Net)	6	0.53	0.48
(f) Deferred Tax Assets (Net)	21	-	-
Total Non - Current Assets		1,412.98	698.66
2 Current assets			
(a) Inventories	11	1,291.53	1,114.73
(b) Financial Assets			
(i) Cash and cash equivalents	9	-94.35	-27.75
(ii) Bank Balances other than (i) above	10	95.02	71.34
(iii) Other financial assets		-	-
(iv) Trade Receivable	8	1,142.52	1,006.57
(c) Other current assets	7	185.93	448.00
Total Current Assets		2,620.65	2,612.89
Total Assets (1+2)		4,033.63	3,311.55
B EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	12	606.10	606.10
(b) Other Equity	13	290.62	114.89
Total Equity		896.72	720.99
LIABILITIES			
2 Non-current liabilities			
(a) Borrowings	14	239.08	106.19
(b) Provisions	15	15.74	12.75
(c) Deferred Tax Liabilities (Net)	21	40.51	30.69
Total Non - Current Liabilities		295.33	149.63
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	769.96	624.26
(ii) Trade payables	17		
- Total outstanding dues to small and micro enterprises		96.73	45.12
- Total outstanding dues of creditors other than small and micro enterprises		1,251.58	1,496.18
(iii) Other financial liabilities	18	618.87	44.58
(b) Other Current liability	19	70.97	179.93
(c) Provisions	16	0.79	0.71
(d) Current tax liabilities (net)	20	32.68	50.15
Total Current Liabilities		2,841.58	2,440.93
Total Equity and Liabilities (1+2+3)		4,033.63	3,311.55

See accompanying notes forming part of the financial statements.

In terms of our report attached

M. C. Asawa & Co.

Chartered Accountants

Firm Registration No : 008041C

Mukund Sarda

Proprietor

Membership No.: 163405

For Sonal Adhesives Limited

Sd/-

Sandeep Arora
Managing Director
DIN: 00176939

Sd/-

Anuradha Dubey
Company Secretary
A65278

Sd/-

Nitin Rane
Director
DIN: 07237310

Sd/-

Ajeet Singh
Chief Financial Officer
BMTPS7181Q

Place: Khopoli

Date: 29th May, 2025

Place: Khopoli

Date: 29th May, 2025

Statement of Profit and Loss for the year ended 31st March 2025

(Amount in Lakhs)

	Particulars	Note	For the Year ended March 31, 2025	For the Year ended March 31, 2024
I	Revenue from operations	22	11,033.26	10,065.11
II	Other income	23	133.78	98.75
III	Total Revenue (I + II)		11,167.04	10,163.86
IV	Expenses			
	(a) Cost of Material Consumed	27	9,751.36	9,044.27
	(b) Purchase of Stock in Trade		132.40	37.14
	(c) Change in Inventories of Work in Progress and F/G	28	39.19	10.17
	(d) Employee Benefit Expense	24	52.14	39.18
	(e) Finance Cost	26	129.12	66.55
	(f) Depreciation and amortisation expense	3	74.20	70.37
	(g) Other expenses	25	746.10	646.94
	Total Expense (IV)		10,924.52	9,914.62
V	Profit/Loss before tax (III - IV)		242.52	249.24
VI	Tax expense:			
	Current Tax	29	50.32	56.92
	Deferred Tax expense / credit	21	10.08	6.88
	Short provision for tax relating to prior year		5.63	-
	Total Tax Expense (VI)		66.03	63.80
VII	Profit/Loss for the year (V+VI)		176.49	185.45
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	(a) Remeasurements of the defined benefit plans		-1.02	0.19
	(ii) Tax on items that will not be reclassified to profit or loss	21	0.26	-0.05
	Total other comprehensive Income for the year (VIII)		-0.77	0.14
IX	Total Comprehensive income for the year		175.73	185.58
X	Earnings per equity share (of Rs. 10/- each)	31		
	Basic & Diluted		2.91	3.06

See accompanying notes forming part of the financial statements.

In terms of our report attached

M. C. Asawa & Co.

Chartered Accountants

Firm Registration No : 008041C

Mukund Sarda
Proprietor
Membership No.: 163405
For Sonal Adhesives Limited

Sd/-

Sandeep Arora
Managing Director

DIN: 00176939

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Nitin Rane
Director

DIN: 07237310

Sd/-

Ajeet Singh
Chief Financial Officer

BMTPS7181Q

Place: Khopoli

Date: 29th May, 2025

Place: Khopoli

Date: 29th May, 2025

Statement of Changes in Equity for the year ended March 31, 2025

a. Equity Share Capital

	As at March 31, 2025	As at March 31, 2024
Opening Balance	606.10	606.10
Issued during the year	-	-
Closing Balance	606.10	606.10

b. Other Equity

(Amount in Rupees)

	Capital Reserve	Retained earnings	Other Items of Other Comprehensive Income	Total
Balance as at April 01, 2024	10.00	99.53	5.36	114.89
Add: Profit/Loss for the year	-	176.49	-	176.49
Add: Other comprehensive income for the year, net of tax	-	-	(0.77)	(0.77)
Total comprehensive loss for the year	-	176.49	(0.77)	175.73
Add:				
Balance as at March 31, 2025	10.00	276.02	4.60	290.62

See accompanying notes forming part of the financial statements.

In terms of our report attached

M. C. Asawa & Co.

Chartered Accountants

Firm Registration No : 008041C

Mukund Sarda
Proprietor
Membership No.: 163405
For Sonal Adhesives Limited

Sd/-

Sandeep Arora
Managing Director

DIN: 00176939

Sd/-

Anuradha Dubey
Company Secretary
A65278

Sd/-

Nitin Rane
Director

DIN: 07237310

Sd/-

Ajeet Singh
Chief Financial Officer
BMTPS7181Q

Place: Khopoli

Date: 29th May, 2025

Place: Khopoli

Date: 29th May, 2025

Cash flow statement for the year ended March 31, 2025

(Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before Tax	242.52	249.24
Adjusted for:		
Depreciation	74.20	70.37
Interest Income	(4.05)	(0.87)
Finance costs	129.12	66.55
	<u>199.27</u>	<u>136.05</u>
Operating Profit before Working Capital Changes	<u>441.79</u>	<u>385.29</u>
Changes in working capital:		
Decrease/(Increase) in trade receivables	(10.91)	(359.18)
Decrease/(Increase) in inventories	(176.80)	197.95
Decrease/(Increase) in Other financial assets - Non Current	(30.35)	(3.00)
Decrease/(Increase) in Other Assets - Non Current	3.28	-
Decrease/(Increase) in Other Assets - Current	262.07	(187.15)
Decrease/(Increase) in Other Financial Assets - Current	-	0.30
(Decrease)/Increase in Trade Payables	(192.99)	259.31
(Decrease)/Increase in financial and liabilities - current	465.33	(342.06)
(Decrease)/Increase in provision for Provision - non current	1.97	1.80
(Decrease)/Increase in provision for Provision - current	0.08	(0.97)
	<u>321.69</u>	<u>(433.00)</u>
Cash generated from operations	<u>763.48</u>	<u>(47.71)</u>
Income tax paid (Net of refund)	(73.46)	(5.25)
Net Cash used in Operating Activities	<u>690.01</u>	<u>(52.96)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets	(886.46)	(146.54)
Deposits Matured	(23.68)	29.70
Interest received	4.05	0.87
Net Cash used in Investing Activities	<u>(906.09)</u>	<u>(115.97)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Borrowings - Short Term	145.70	135.66
Increase in Borrowings - Long Term	132.89	72.37
Finance Cost	(129.12)	(66.55)
Dividend Paid	-	-
Net Cash from Financing Activities	<u>149.47</u>	<u>141.48</u>
Net decrease in cash and cash equivalents	<u>(66.60)</u>	<u>(27.46)</u>
Cash and cash equivalents at beginning of the year	<u>(27.75)</u>	<u>(0.29)</u>
Cash and cash equivalents at end of the year (Refer Note Below)	<u>(94.35)</u>	<u>(27.75)</u>

Notes:

- (a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS - 7) "Statement of Cash Flow".
- (b) **Cash and Cash Equivalents**

	As at March 31, 2025	As at March 31, 2024
- Cash on Hand and Balances with Banks	7.17	3.33
- Bank Overdraft	(101.52)	(31.08)
Cash and Cash Equivalents	<u>(94.35)</u>	<u>(27.75)</u>

See accompanying notes forming part of the financial statements.

In terms of our report attached

M. C. Asawa & Co.

Chartered Accountants

Firm Registration No : 008041C

Mukund Sarda

Proprietor

Membership No.: 163405

For Sonal Adhesives Limited

Sd/-

Sandeep Arora

Managing Director

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Nitin Rane

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DIN: 07237310

Sd/-

Ajeet Singh

Chief Financial Officer

BMTPS7181Q

Place: Khopoli

Date: 29th May, 2025

Place: Khopoli

Date: 29th May, 2025

Notes to the financial statements for the year ended March 31, 2025

NOTE 1: GENERAL INFORMATION

a. Corporate information

Sonal Adhesives Limited (the Company) was incorporated on 18 November 1991, and is engaged in manufacture of adhesive tapes and emulsions. The Company has manufacturing facilities and registered office at Khopoli (Maharashtra). The address of its registered office is Plot no. 28/1A, Takai Adoshi Road, Off Khopoli Pen Road, Village Dheku, Raigad 410 203, Maharashtra, India.

The financial statements of the Company for the year ended March 31, 2025 have been approved for issue in accordance with the resolution of the Board of Directors on May 29, 2025.

NOTE 2: BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

a. Basis of preparation and presentation

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting standards) Rules, 2015 (as amended from time to time), presentation requirements of Division II of Schedule III to the Companies Act, 2013 and other relevant provisions of the Act.

The accounting policies are applied consistently to all periods presented in the financial statements.

b. Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lakhs as per the requirement of Schedule III, unless otherwise indicated.

c. Current and Non-Current

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

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

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

d. Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The company has identified twelve months as its operating cycle.

Notes to the financial statements for the year ended March 31, 2025

e. Going Concern

The Directors of the Company has, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.2 BASIS OF MEASUREMENT

a. Basis of Accounting

The standalone financial statements of the Company has been prepared in accordance with Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis at the end of each reporting period except for:

- Certain financial assets and financial liabilities that are measured at fair value (refer accounting policies regarding financial instruments)
- Defined Benefit Plans – plan assets that are measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,
- Level 2 inputs are inputs, other than quoted prices included within Level, that are observable for the asset or liability, either directly or indirectly, and
- Level 3 inputs are unobservable inputs for the asset or liability.

b. Use of estimates and judgements

The preparation of financial statements requires Management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision if it affects both current and future periods.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are as follows:

- Determination of the estimated useful lives of tangible assets and the assessment as to which components of the cost may be capitalized
- Determination of the estimated useful lives of intangible assets
- Recognition and measurement of defined benefit obligations
- Discounting of long-term financial liabilities
- Fair value of financial instruments
- Recognition and measurement of provisions and contingencies, key assumptions about the likelihood and magnitude of an outflow of resources
- Measurement of Expected credit losses, provision for inventory, return liability, Commission, etc.
- Revenue recognition

Notes to the financial statements for the year ended March 31, 2025

- Recognition of deferred tax assets/liability
- Impairment of financial assets

2.3 MATERIAL ACCOUNTING POLICIES

(a) Property, plant and equipment

Property, Plant and Equipment (PPE) are stated at cost of acquisition, including any attributable cost for bringing the asset to its working condition for its intended use less accumulated depreciation and less accumulated impairment, if any. Cost includes expenses related directly to acquisition and installation of the concerned assets, borrowing cost during the construction period and estimated costs of dismantling and removing the item and restoring the site on which it is located and excludes any duties / taxes recoverable.

Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as capital advances under "other non-current assets" and assets which are not ready for intended use as on the date of balance Sheet are disclosed as "Capital work-in-progress".

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes all costs incurred to bring the assets to their present location and condition. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone statement of profit and loss when the asset is derecognized.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the standalone statement of profit and loss during the period in which they are incurred.

Depreciation on property, plant and equipment

Depreciation is provided, under the straight-line method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The Management's estimate of useful lives is in accordance with Schedule II to the Companies Act, 2013. Depreciation is charged on pro-rata basis for asset purchased / sold during the year.

Estimated useful lives of finite tangible assets are as follows:

Machinery	15 Years
Air Conditioner	5 Years
Office Equipment	5 Years
Motor Vehicle	8 Years
Computers	3 Years
Motor Cycle	10 Years
Building	30 Years

The estimated residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(b) Capital work in progress and Capital advances :

Cost of assets not ready for intended use, as on the end of the reporting period, is shown as capital work in progress.

Advances given towards acquisition of Property, Plant and Equipment outstanding at end of each reporting period are disclosed as other non-current assets.

Notes to the financial statements for the year ended March 31, 2025

(c) Intangible Assets:

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Internally generated intangibles, excluding eligible development costs are not capitalized and the related expenditure is reflected in the Statement of Profit and Loss in the period in which the expenditure is incurred.

(d) Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of an impairment loss. If any such indication exists, the recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The impairment loss, if any, is recognised in the standalone statement of profit and loss in the period in which impairment takes place.

Recoverable amount is higher of an assets net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an assets and from its disposal at the end of its useful life. Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

Where an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) earlier.

(e) Inventories

Inventories are measured at lower of cost and net realizable value. Cost of inventories comprises all costs of purchase (net of input credits), costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined by the First-in First-out method. Costs of purchased inventory are determined after deducting rebates and discounts.

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

Provision is made for cost of obsolescence and other anticipated losses, whenever considered necessary by Management based on the best judgement and estimates.

(f) Cash and Cash Equivalents

Cash and Cash Equivalents in the standalone balance sheet comprises cash on hand, bank balances and short-term deposits with banks with an original maturity of three months or less which are readily convertible into cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts/ cash credit facilities as they are considered an integral part of the Company's cash management.

(g) Cash flow statement

Cash Flows are reported using Indirect Method, whereby profit/(loss) for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(h) Financial instruments

A financial instrument is any contract that gives rise to financial assets of one entity and financial liability or equity of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts.

Notes to the financial statements for the year ended March 31, 2025

Financial assets

Initial recognition:

Financial assets are recognised when a Company becomes a party to the contractual provisions of the instruments. Financial assets are initially measured at fair value. The transaction costs that are directly attributable to the acquisition of financial assets are added to fair value except for financial asset at fair value through Profit and Loss (FVTPL).

Subsequent measurement of financial assets:

Financial assets are subsequently classified and measured at:

- i. Amortised cost
- ii. Fair value through Profit and Loss (FVTPL)
- iii. Fair value through Other Comprehensive Income (FVTOCI).

- i. Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the effective interest rate ('EIR') method less impairment, if any. The amortisation of EIR and loss arising from impairment, if any is recognised in the standalone Statement of profit and loss.

- ii. Measured at Fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the standalone Statement of profit and loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'Other Income' in the standalone Statement of profit and loss.

- iii. Measured at Fair Value Through profit and Loss (FVTPL):

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'Other Income' in the Statement of profit and loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Company changes its business model for managing financial assets.

- Loans:

Loans are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instruments.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets.

The Company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The Company computes the expected credit losses based on a provision matrix which uses historical credit loss experience of the Company. Forward-looking information (including macroeconomic information) is incorporated into the determination of expected credit losses

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets:

The Company de-recognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Notes to the financial statements for the year ended March 31, 2025

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial assets. In such cases, the financial asset is de-recognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised if the Company has not retained control of the financial assets. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial assets.

Financial liabilities

Initial recognition

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value. The transaction cost that are directly attributable to the issue of financial liabilities are deducted from fair value except for financial liabilities at FVTPL. In case of trade payables, they are initially recognised at fair value and subsequently, these liabilities are held at amortised cost, using the effective interest method.

Subsequent Measurement

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of profit and loss. The interest expenses using the effective interest method is recognised over the relevant period of the financial assets. The same is included under Finance cost in the Statement of profit and loss unless it is capitalised as part of cost of an item of Property, Plant and Equipment.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in the Statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(i) Revenue recognition

Revenue from operations is recognized to the extent that it is probable that economic benefit will flow to the company and the revenue can be reliably measured regardless of when the payment is being made as per Ind AS 115. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from Operations

Revenue from sale of goods is recognized on delivery of merchandise to the customer, when the property in the goods is transferred for a price, and significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. It is the Company's policy to sell its products to the end customers with a right of return as per company policy. Accumulated experience is used to estimate and provide for the discounts and returns. No element of financing is deemed present as the sales are made with normal credit days consistent with market practice.

The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

Notes to the financial statements for the year ended March 31, 2025

Contract balances

Trade receivables

A receivable presents the Company's right to an amount of consideration that is unconditional

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Assets and liabilities arising from right to return

The Company has contracts with customers which entitles them the unconditional right to return certain merchandise.

Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial assets. Interest income is included in other income in the Statement of profit and loss.

Deposit Interest income is recognized on accrual basis

(j) Employee benefits

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of profit and loss of the year in which the employee renders the related service. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Post-employment benefits and other employee benefits:

(a) Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution plan. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related services

(b) Defined benefit plans

- Gratuity

The liability or asset recognised in the standalone balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets funded with LIC. This cost is included in employee benefit expense in the Statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the standalone balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit or loss as past service cost.

- Leave benefits

A liability is recognised for benefits accruing to employees in respect of privilege leave in the period the related service is rendered at the amount benefits expected to be paid in exchange for that service.

Notes to the financial statements for the year ended March 31, 2025

(k) Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The lease liability is initially measured at amortised cost at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance Sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are presented as a separate line in the Balance Sheet. The right-of-use assets are initially recognised at cost which comprises of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Notes to the financial statements for the year ended March 31, 2025

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

(l) Borrowing costs

General and Specific 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 added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the standalone statement of profit and loss in the period in which they are incurred.

(m) Taxes on Income

Income tax expense comprises current tax expense and the deferred tax during the year. Current and deferred taxes are recognised in the Statement of profit and 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.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year and any adjustments to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act, 1961 that have been enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis or simultaneously.

Deferred tax

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 assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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

(n) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Company has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the standalone balance sheet date. The expenses relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows specific to the liability. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Notes to the financial statements for the year ended March 31, 2025

A contingent asset is not recognised till the realization of the income is virtually certain.

Provisions, contingent assets, contingent liabilities and commitments are reviewed at each standalone balance sheet date.

(o) Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as at the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(p) Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

(q) Foreign currency transactions

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences on monetary items are recognized in the Statement of profit and loss in the period in which they arise.

(r) Segment Reporting

The Board of Directors of the Company has been identified as the Chief Operating Decision Maker (CODM) by the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM of the Company. The CODM assesses the financial performance and position of the Company as a whole, and makes strategic decisions.

The Company is primarily engaged in 'Manufacturing of Packing Material' business, which in the terms of Ind AS 108 on 'Operating Segments' constitutes a single reporting segment which is also reviewed by the Chief Operating Decision Maker (CODM). Accordingly, information required to be presented under Ind AS-108 Operating Segments has been given.

(s) Fair Value Measurements

The Company measures financial instrument at fair value at each standalone balance sheet date. Fair value is the price that would receive to sell price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and deposits, trade and other receivables, trade payables, other current liabilities, short term loans from banks approximate their carrying amounts largely due to short term maturities of these instruments.
2. The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

Notes to the financial statements for the year ended March 31, 2025

3. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the fair value hierarchy for determining and disclosing the fair value of financial instruments.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

NOTE 3: RECENT ACCOUNTING PRONOUNCEMENTS

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023 as below:

1. Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose the material accounting policies rather than significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements

2. Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

3. Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The above amendments have been considered by the Group in preparation of these Standalone Financial Statements. The amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

4. Standards issued but not yet effective

There are no standards that are notified and not yet effective as on date.

Notes to the financial statements for the year ended March 31, 2025

Note 3 : Property , plant and equipment

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024	As at March 31, 2023
Carrying amount of:			
Land	2.07	2.07	2.07
Building	47.59	43.04	40.80
Computer	1.87	1.53	1.48
Electrical Equipments	-	-	-
Lab Equipments	-	-	-
Furniture & Fixture	-	-	-
Generating Set	-	-	-
Air Conditioner	1.29	1.87	1.08
Office Equipments	4.58	4.32	3.31
Plant and Machinery	1,135.81	318.38	288.05
Motor Vehicles	32.20	40.65	49.11
Motor Cycle	-	-	-
Bicycle	-	-	-
Feeder Line	48.93	50.22	-
Total	1,274.34	462.08	385.91

Particulars	Land	Building	Computer	Electrical Equipments	Lab Equipments	Furniture & Fixture	Generating Set	Air Conditioner	Office Equipments	Plant and Machinery	Motor Vehicles	Bicycle	Motor Cycle	Feeder Line	Total
Cost															
At April 1, 2023	2.07	184.43	20.94	2.08	0.82	4.54	0.48	4.38	15.42	880.09	125.92	0.05	0.70	-	1,241.89
Additions	4.42	0.84						1.36	2.71	92.24	-			51.51	153.08
Deletions										6.54					6.54
At March 31, 2024	2.07	188.85	21.78	2.08	0.82	4.54	0.48	5.74	18.14	965.78	125.92	0.05	0.70	51.51	1,388.43
Additions	6.88	0.97						-	2.19	888.71	-			-	898.75
Deletions										13.36					13.36
At March 31, 2025	2.07	195.73	22.75	2.08	0.82	4.54	0.48	5.74	20.33	1,841.13	125.92	0.05	0.70	51.51	2,273.82
Accumulated Depreciation															
At April 1, 2023	-	143.63	19.46	2.08	0.82	4.54	0.48	3.29	12.11	592.03	76.81	0.05	0.70	-	855.98
Charge for the year	-	2.18	0.79	-	-	-	-	0.57	1.71	55.37	8.46	-	-	1.29	70.37
Disposals															-
At March 31, 2024	-	145.81	20.25	2.08	0.82	4.54	0.48	3.87	13.82	647.40	85.26	0.05	0.70	1.29	926.35
Charge for the year	-	2.33	0.63	-	-	-	-	0.57	1.93	58.99	8.46	-	-	1.29	74.20
Disposals										1.07					1.07
At March 31, 2025	-	148.14	20.88	2.08	0.82	4.54	0.48	4.44	15.75	705.32	93.72	0.05	0.70	2.58	999.48

3.1 There are no impairment losses recognised during the current period and previous period.

3.2 The Company does not hold any immovable property, other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee whose title deeds are not held in the name of the Company.

3.3 The Company has not revalued its property, plant and equipment during the year ended March 31, 2025 and year ended 31, 2024 and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

3.4 There are no Capital work in progress for the year ended 31st March 2025. Also there are no projects as on the reporting periods which has exceeded cost as compared to its original plan or where completion is overdue.

Notes to the financial statements for the year ended March 31, 2025

Note 4 : Other Financial assets - Non Current

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Security Deposits		
- Unsecured, considered good	40.54	10.99
b) Interest accrued on MSEB Deposit	1.15	0.34
Total	41.68	11.34

Note 5 : Other Non Current assets

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Balances with government authorities		
- Sales Tax Department	0.21	3.50
Total	0.21	3.50

Note 6 : Income tax assets (net)

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
TDS/TCS Receivable	0.53	0.48
Total	0.53	0.48

Note 7 : Other Financial assets - Current

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Loans and advances to employees	1.38	2.02
Total	1.38	2.02

Note 7 : Other Current assets

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
a) Balances with government authorities		
- GST Receivable	91.91	138.96
- GST Appeal	3.80	3.80
- Excess TDS Paid	0.13	0.23
b) Advance to vendors	85.99	297.65
c) Prepaid Expense	2.74	5.34
d) Loans and advances to employees	1.38	2.02
Total	185.93	448.00

Note 8 : Trade receivables

(Amount in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Non Current	Current	Non Current	Current
Trade Receivable (Unsecured)				
(a) Considered Good	97.19	1,142.57	223.49	1,006.58
(b) Considered Doubtful	-	-	-	-
	97.19	1,142.57	223.49	1,006.58
Less: Allowances for bad and doubtful debts (expected credit loss allowance)	0.97	0.05	2.23	0.00
Total	96.22	1,142.52	221.26	1,006.57

Notes to the financial statements for the year ended March 31, 2025

Notes

The credit period on sale of services is 120 to 150 days to export customers and 30 to 60 days in case of domestic customers. The Company does not charge interest on delayed payments and exercise its right at its own discretion depending upon prevailing circumstances.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Ageing for Trade Receivables along with categorization of disputed / undisputed and good / doubtful (from the due date of payments)

Age of receivables	As at March 31, 2025	As at March 31, 2024
(A) Disputed		
(a) Considered Good	97.19	223.49
(b) Considered Doubtful	-	-
(B) Undisputed		
(a) Considered Good		
- Not Due		
- Less Than 6 Months	1,109.43	1,003.74
- 6 Months - 1 Year	21.45	2.83
- 1 Year - 2 Year	11.70	-
- 2 Year - 3 Year	-	-
- More than 3 Year	-	-
Total	1,142.57	1,006.58
(b) Considered Doubtful		
- Not Due	-	-
- Less Than 6 Months	-	-
- 6 Months - 1 Year	-	-
- 1 Year - 2 Year	-	-
- 2 Year - 3 Year	-	-
- More than 3 Year	-	-
Total	-	-

Note: Wherever the due date of payment is not specified, the date of transaction is considered for the purpose of above disclosure.

Expected credit loss rate

Trade receivables – days past due	As at March 31, 2025	As at March 31, 2024
Not Due	0%	0%
Less Than 6 months	0%	0%
6 months - 1 year	0.10%	0.10%
1 year - 2 year	0.3%	0.3%
2 year - 3 year	0.5%	0.5%
More than 3 years	1%	1%

Notes to the financial statements for the year ended March 31, 2025

Movement in the expected credit loss allowance (Amount in Lakhs)

Particulars	For the six month period ended March 31, 2025	For the six month period ended March 31, 2024
Balance at beginning of the period	2.24	2.64
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(1.22)	(0.40)
Balance at end of the period	1.02	2.24

Note 9: Cash and cash equivalents (Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Bank balances		
- In Current account	2.77	0.82
(b) Cash in hand	4.40	2.51
(c) Bank Overdraft	-101.52	-31.08
Total	-94.35	-27.75

Note 10: Other Bank Balance (Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Bank balances		
- In Deposit account	95.02	71.34
Total	95.02	71.34

Note 11: Inventories (Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Raw Materials	700.82	492.70
(b) Packing Materials	47.12	34.25
(c) Consumables	12.01	17.01
(d) Finished Goods [including work in process]	531.57	570.77
Total	1,292	1,115

12.1 There are no inventories in transit for the year ended March 31, 2025 and year ended March 31, 2024

12.2 The cost of inventories recognised as an expense during the year ended on March 31, 2025 is Rs. 9922.95

(for the year ended March 31, 2024: Rs. 9091.59)

12.3 The mode of valuation of inventories has been stated in note 2.3(e).

Note 12: Equity Share Capital (Amount in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Units	Amount	Units	Amount
Authorised Capital				
Equity Shares of Rs 10/- each	7,000,000	700.00	7,000,000	700.00
	7,000,000	700.00	7,000,000	700.00
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs 10/- each	6,061,000	606.10	6,061,000	606.10
Total	6,061,000	606.10	6,061,000	606.10

Refer Notes (i) to (iv) below

Notes to the financial statements for the year ended March 31, 2025

Notes

(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

(Amount in lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares				
At the beginning of the year	6,061,000	606.10	6,061,000	606.10
Add: Issued during the year	-	-	-	-
At the end of the year	6,061,000	606.10	6,061,000	606.10

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2025		As at March 31, 2024	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Sonal Impex Limited	2,822,700	46.57%	2,822,700	46.57%
Kamal Arora	475,400	7.84%	475,400	7.84%

As per the records of the Company, including its register of shareholders/members and other declarations received from the shareholders regarding the beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(iii) Rights, preferences and restrictions attached to shares:

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of Equity Shares is entitled to one vote per share. The Company declares & pays dividends in Indian rupees. The dividend, if proposed by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation, the Equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(iv) During the period of five years immediately preceding the reporting date:

- The Company has not issued any shares pursuant to contract(s) without payment being received in cash.
- The Company has not allotted any shares as fully paid up by way of bonus shares.
- The Company has not bought back any shares.

(v) Details of Change in % holding of the Promoters

As at March 31, 2025

Promoter Name	No. of shares	% of holding of that class of shares	% of change during the period
Sonal Impex Ltd	2,822,700	46.57%	0.00%
Sonal Ropes Limited	278,800	4.60%	0.00%
Kamal Mohanlal Arora	475,400	7.84%	0.00%
Megha Mohanlal Arora	142,000	2.34%	0.00%
Mona Mohanlal Arora	82,000	1.35%	0.00%
Total	3,800,900	62.71%	

Notes to the financial statements for the year ended March 31, 2025

(Amount in Lakhs)

As at March 31, 2024

Promoter Name	No. of shares	% of holding of that class of shares	% of change during the period
Sonal Impex Ltd	2,822,700	46.57%	0.00%
Sonal Ropes Limited	278,800	4.60%	0.00%
Kamal Mohanlal Arora	475,400	7.84%	0.00%
Megha Mohanlal Arora	142,000	2.34%	0.00%
Mona Mohanlal Arora	82,000	1.35%	0.00%
Total	3,800,900	62.71%	

Note 13: Other equity

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Capital Reserve	10.00	10.00
(b) Retained earnings	276.02	99.53
(c) Other Items of Other Comprehensive Income	4.60	5.36
Total	290.62	114.89

Note 13.1 Capital Reserve

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Balance at beginning of year	10.00	10.00
Additions during the year	-	-
Balance at end of year	10.00	10.00

Note 13.2 Retained earnings

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Balance at beginning of year	99.53	(85.92)
Profit/Loss for the year	176.49	185.45
Balance at end of year	276.02	99.53

Note 13.3 Other Items of Other Comprehensive Income

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Balance at beginning of year	5.36	5.22
- Remeasurement of Defined Benefit Obligation	-1.02	0.19
- Tax on Above	0.26	-0.05
Balance at end of year	4.60	5.36

Retained earnings:

Retained earnings represents the surplus / (deficit) of the statement of profit or loss less transfers to general reserves, dividend distributed to shareholders.

Capital Reserve:

Capital Reserve represents the capital subsidy received from government.

Notes to the financial statements for the year ended March 31, 2025

Note 14: Borrowings

(Amount in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Current	Non Current	Current	Non Current
Secured Borrowings:				
- Term Loan		226.49		88.09
- Commercial Vehicle Loan		11.00		16.62
- Current Maturities of Long Term Loan	143.12		45.05	
Unsecured Borrowings:				
- From Holding Company				
Sonal Impex Limited	626.84		579.21	
- From Others				
Bajaj Finance Limited		1.59		1.48
Total	769.96	239.08	624.26	106.19

Reconciliation of liabilities arising from financing activities

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

Term loans from banks

Particulars	Term loans from banks
As at April 1, 2023	-
Financing cash flows	149.52
Non-cash changes	
- Interest accruals on account of amortisation	21.56
As at March 31, 2024	127.96
Financing cash flows	378.14
Non-cash changes	
- Interest accruals on account of amortisation	14.15
As at March 31, 2025	364.00

14.1 Term loan from Kotak Mahindra Bank

Term Loan from Bank comprising Rs 3,78,52,127.67 [Previous Year: Rs 1,49,52,127.67] are secured by:

- Hypothecation of all plant and machinery located at Industrial land & building located at Survey No 28, gut No 232, Hissa No 1A, Dheku, Off Takai - Adoshi Road, Khalapur, Raigad, Maharashtra - 410203
- Equitable mortgage of 1. Industrial land & building located at Survey No 28, Gut No 232, Hissa No 1A, Dheku, off Takai Adoshi Road, Khalapur, Raigad - 410203 owned by M/s Sonal Adhesives Limited.
- Equitable mortgage of Industrial land & building located at House / Milkat No 142, Gut No 236(1), Dheku, off Takai Adoshi Road, Khalapur, Raigad - 410203 owned by M/s Sonal Impex Limited.
- Third party guarantee of:
 - Sandeep Mohanlal Arora and Kamal Arora
 - Corporate Guarantee of Sonal Impex Limited
- Hypothecation of all existing and future Fixed (movable and immovable) assets, current assets, including stocks, receivables, consumables, stores and spares and movable plant and machinery.
- Hypothecation of asset purchased out of bank finance

Notes to the financial statements for the year ended March 31, 2025

S. No.	Bank Name	Type Of Loan	Sanctioned Amount (Rs In Lakhs)	Interest Rate	Period of Repayment (No. Of Monthly Instalments)	Due in 1-12 Months	Due in 13-24 months	Due in 25-60 months	Due above 60 months
1	Kotak Mahindra Bank	<u>Term Loan</u>	500.00	14.00%	48 Installments	137.51	137.51	103.13	
					1st Installment of Rs. 83333.33				
					2nd to 4th Installment of Rs. 3,32,269.50				
					5th Installment of Rs. 4,60,176.48				
					6th to 48th Installment of Rs. 11,45,890.76				
		<u>VEHICLE LOAN</u>							
2	HDFC BANK LTD	Car Loan	27.70	8.20%	60 Installments	5.62	6.09	4.91	

Note 15: Non Current - Provisions

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits (Refer note 30)		
Gratuity	15.74	12.75
Total	15.74	12.75

Note 16: Current - Provisions

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits (Refer note 30)		
Gratuity	0.79	0.71
Total	0.79	0.71

Note 17: Trade Payables

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Trade payables		
Dues to Micro, Small and Medium Enterprises	96.73	45.12
Dues to Others	1,251.58	1,496.18
Total	1,348.31	1,541.30

The Company has certain dues payable to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The information as required to be disclosed under MSMED Act has been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes to the financial statements for the year ended March 31, 2025

Trade Payable Aging Schedule (from the due date of payment):

Age of payables	As at March 31, 2025	As at March 31, 2024
(A) Disputed		
(a) MSME	-	-
(b) Other	-	0.37
(B) Others		
(a) MSME		
- Not Due	-	-
- Less Than 1 Year	94.85	45.12
- 1 Year - 2 Years	-	-
- 2 Years - 3 Years	-	-
- More than 3 Years	1.88	-
(b) Other		
- Not Due	-	-
- Less Than 1 Year	1,181.42	1,248.43
- 1 Year - 2 Years	-	-
- 2 Years - 3 Years	-	0.06
- More than 3 Years	70.15	247.32
Total	1,348.31	1,541.30

Note : Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	As at March 31, 2025 Current	As at March 31, 2024 Current
The principal amount remaining unpaid to any supplier at the end of the year	96.73	45.12
Interest due remaining unpaid to any supplier at the end of the year	-	-
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	-	-
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	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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	-	-

Note 18: Other Financial Liabilities (Current)

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(ii) Other Payables	618.87	44.58
Total	618.87	44.58

In FY 24-25, Other Payable includes Rs. 579.32 Lakhs is towards bill discounting.

Notes to the financial statements for the year ended March 31, 2025

Note 19: Other Current Liability

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Advances from customers	70.97	179.93
Total	70.97	179.93

Note 20: Current tax liabilities (net of advance tax) (Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Income tax payable (net of advance tax)	32.68	50.15
Total	32.68	50.15

Note 21: Deferred tax liability (net)

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2025 (Amount in Lakhs)

Particulars	Opening Balance as on April 1, 2024	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Recognised directly in Equity	Closing balance as on March 31, 2025
Property, plant and equipment	-28.65	-12.46			-41.11
Intangible assets	-				-
Borrowings	-5.43	1.87			-3.56
Gratuity	3.39	0.52	0.26		4.16
Disallowances under section 43B of Income Tax Act, 1961	-				-
Carry Forward Loss	-	-			-
Other current assets	-				-
Total	-30.69	-10.08	0.26	-	-40.51

Deferred tax assets/(liabilities) in relation to the year ended March 31, 2024

Particulars	Opening Balance as on April 1, 2023	Recognised in Profit or loss (expense)/ credit	Recognised in Other comprehensive income	Recognised directly in Equity	Closing balance as on March 31, 2024
Property, plant and equipment	-32.32	3.67			-28.65
Intangible assets	-				-
Right-to-use assets and Leases liabilities	-	-5.43			-5.43
Gratuity	3.23	0.21	-0.05		3.39
Disallowances under section 43B of Income Tax Act, 1961	-				-
Carry Forward Loss	5.33	-5.33			-
Other current assets	-				-
Total	-23.76	-6.88	-0.05	-	-30.69

Note 22: Revenue from Operations

(Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Revenue from Operations	11,033.26	10,065.11
Total	11,033.26	10,065.11

The Company has provided for impairment losses basis on expected credit loss policy on trade receivable recognised in statement of profit and loss for the year ended March 31, 2025 and March 31, 2024. Refer Note 2.3(h).

Notes to the financial statements for the year ended March 31, 2025

The Company presently recognises its revenue from contract with customers for the transfer of goods and services over time and at a point in time. This is consistent with the revenue information that is disclosed for each reportable segment under IND AS 108.

External revenue by timing of revenue	For the year ended March 31, 2025	For the year ended March 31, 2024
Goods transfer at a point in time	11,033.26	10,065.11

Contract balances

The following table provides information about receivables from contracts with customers:

Particulars	Trade receivables	Contract liabilities
Closing balances		
As at March 31, 2025	1,239.76	70.97
As at March 31, 2024	1,230.07	179.93

The Company receives payments from customers based upon contractual billing schedules. Accounts receivable are recorded when the right to consideration becomes unconditional.

Reconciliation of revenue recognised in the standalone statement of profit and loss with the contracted price:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from contracts with customers	11,032.25	10,063.84
Add: Discounts, rebates, refunds, credits, price concessions	1.00	1.27
Contracted price with the customers	11,033.26	10,065.11

Note 23: Other Income (Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) Interest Income		
On Deposits	4.05	0.87
	4.05	0.87
(b) Other Non-Operating Income		
Exchange Fluctuation Gains	43.84	32.01
Duty Drawback		
Export Incentive	30.95	65.47
Sundry Balance W/back	48.49	-
Insurance Claim	0.12	-
Profit on Sale of Asset	5.11	-
Expected credit loss allowance on trade receivables	1.22	0.40
Miscellaneous Income	0.00	0.00
	129.73	97.88
Total	133.78	98.75

Note 24: Employee benefits expense

(Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Salaries, wages and bonus	38.81	28.13
Gratuity	2.05	1.83
Contributions to provident and other funds	3.88	3.79
Staff welfare expenses	7.40	5.42
Total employee benefits	52.14	39.18

Notes to the financial statements for the year ended March 31, 2025

(Amount in Lakhs)

Note 25: Other expenses

(Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Freight & forwarding charges	95.18	29.75
Ocean Freight	103.72	4.48
Manufacturing expenses	20.87	35.70
Salaries to factory staff	120.47	103.38
Security charges	8.02	7.94
General expenses	1.39	2.20
Postal expenses	1.22	0.77
Printing & stationery	2.47	1.83
Sales promotion expenses	15.13	1.85
Conveyance expenses	9.21	10.86
Listing fees	3.84	3.25
Advertisement and publicity	1.60	1.53
Legal & Professional Expenses	13.49	7.11
Domestic & foreign travel	11.32	11.87
Factory expenses	8.95	12.19
Stores & spares expenses	2.06	5.86
Telephone and communication expenses	1.70	1.36
C&F/Port/Octroi/Terminal handling charges	25.28	46.37
Water charges	1.27	3.36
Total (a)	447.17	291.66
Payment to the Auditors		
Audit fees	1.96	1.96
Total (b)	1.96	1.96
Consumable	10.80	8.81
Electricity charges	163.52	134.04
Rental charges	15.01	14.27
Commission	30.78	79.20
Repairs & maintenance - Building	-	1.34
Repairs & maintenance - machinery	25.27	26.04
Repairs & maintenance - vehicles	3.11	2.11
Insurance premium	5.77	4.05
Professional tax	0.02	0.02
GST Expenses	7.04	0.04
VAT Expenses	2.34	
Sundry Balance W/off	-	21.48
Rate Difference	1.00	1.27
Trade Discount	0.51	-
Discounting Charges	5.96	-
Charity and Donations	0.17	0.23
Platform Fees	-	48.83
Corporate Guarantee	5.00	
Total (c)	276.30	341.74
Miscellaneous Expenses	20.67	10.55
Loss on Sale of Asset	-	1.04
Total (d)	20.67	11.59
Total (a)+ (b)+ (c) +(d)	746.10	646.94

Notes to the financial statements for the year ended March 31, 2025

Note 26: Finance Cost

(Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expenses	129.12	66.55
Total	129.12	66.55

Note 27: Cost of Material Consumed

(Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Raw materials consumed	9,214.15	8,413.88
Packing materials and other consumables consumed	537.21	630.39
Total	9,751.36	9,044.27

Note 28: Changes in Inventories of Finished Goods and Work In Process

(Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Inventories at the beginning of the year		
Finished goods and work in process	570.77	580.94
Inventories at the end of the year		
Finished goods and work in process	531.57	570.77
Net (increase) / decrease	39.19	10.17

Values for closing and opening inventories of finished goods and work in process

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Finished goods and work in process		
- Opening stock		
Tapes	140.85	45.27
Adhesive Rolls	106.28	409.68
Others	323.63	125.99
	570.77	580.94
- Closing stock		
Tapes	45.71	140.85
Adhesive Rolls	191.09	106.28
Others	294.77	323.63
	531.57	570.77

Note 29 : Current Tax and Deferred Tax

Income Tax Expense recognised in statement of profit and loss

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Current Tax:		
In respect of current year	50.32	56.92
Short provision of tax relating to earlier years	5.63	-
	55.95	56.92
Deferred Tax expense/ (credit)		
In respect of current year	10.08	6.88
	10.08	6.88
Total tax expense recognised in the reporting year	66.03	63.80

Notes to the financial statements for the year ended March 31, 2025

Income Tax recognised in other Comprehensive Income

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
i) Deferred tax		
Remeasurement gain/(loss) on defined benefit plans	0.26	-0.05
Total	0.26	-0.05

Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	242.52	249.24
Less: Income taxed at different tax rate	-5.11	1.04
Profit before tax at normal rate	237.41	250.28
Tax rate	25.17%	25.17%
Income Tax using the Company's domestic Tax rate #	59.75	62.99
Effect of items that are not deductible in determining taxable profit	21.10	18.27
Effect of items that are deductible in determining taxable profit	30.53	19.73
Income tax related earlier year	-	
Others	0.00	4.61
Income tax expense recognised in Statement of Profit or Loss	50.32	56.92

The tax rate used for the reconciliations above is the corporate tax rate plus surcharge (as applicable) on corporate tax, education cess and secondary and higher education cess on corporate tax, payable by corporate entities in India on taxable profits under Income Tax Act, 1961.

In pursuance of Section 115BAA of the Income Tax Act, 1961 announced by the Government of India through Taxation Laws (Amendment) Ordinance, 2019, the Company has opted for irrevocable option of shifting to lower tax rate w.e.f FY 22-23 i.e 25.168%.

The Company does not have any transaction which is not recorded in the books of account that has been surrendered or disclosed as income during any of the above periods/years in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Note 30: Employee Benefits

1) Defined contribution plans :

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

a) Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the provident fund administered and managed by Government of India. The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the Statement of Profit and Loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

Contribution to Defined Contribution Plans, recognised in the Statement of Profit and Loss for the year under employee benefits expense, are as under :

Notes to the financial statements for the year ended March 31, 2025

(Amount in Lakhs)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
i) Employer's Contribution to Provident Fund and pension	3.88	3.79
Total	3.88	3.79

b) Defined Benefit Plans

Gratuity (Unfunded)

The Company has an obligation towards gratuity, an unfunded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days salary, as applicable, payable for each completed year of service, without any payment ceiling. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The Company offers the following employee benefit schemes to its employees:

Gratuity (included as part of gratuity in Note 2.3(j) Employee benefits expense)

A. Principal actuarial assumptions used:

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Discount rate	6.65%	7.20%
Expected rate of salary increase	5.00%	5.00%
Mortality tables	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Expected rate of Return	N.A.	N.A.
Withdrawal Rates	10.00%-2.00%	10.00%-2.00%

A. Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Service cost:		
Current service cost	1.11	0.95
Past service cost and (gain) / loss from settlements	-	-
Net interest expense	0.94	0.89
Remeasurements	-	-
Components of defined benefit costs recognised in profit or loss	2.05	1.83

B. Amounts recognised in statement of OCI in respect of these defined benefit plans are as follows

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding the amount included in net interest cost)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.55	0.17
Actuarial (gains) / losses arising from changes in experience adjustments	0.47	-0.36
Adjustments for restrictions on the defined benefit asset		
Components of defined benefit costs recognised in other comprehensive income	1.02	-0.19
Total	3.07	1.65

Notes to the financial statements for the year ended March 31, 2025

C. Amounts recognised in Balance Sheet in respect of these defined benefit plans are as follows

Particulars	Period Ended	
	As at March 31, 2025	As at March 31, 2024
Opening net defined benefit liability/(assets)	13.46	12.82
Expenses charged to profit & loss account	2.05	1.83
Amount recognised outside profit and loss account	1.02	-0.19
Employer contributions paid directly	-	-1.00
Impact of liability assumed or (settled)	16.54	13.46

D. Movements in the present value of defined benefit obligation are as follows:

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Movements in present value of defined benefit obligation are as follows:		
Opening defined benefit obligation	13.46	12.82
Current service cost	1.11	0.95
Interest cost	0.94	0.89
Remeasurement (gains)/losses:		
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.55	0.17
Actuarial (gains) / losses arising from changes in experience adjustments	0.47	-0.36
Past service cost, including losses/(gains) on curtailments	-	-
Benefits paid	-	-1.00
Closing defined benefit obligation	16.54	13.46

E. Maturity profile of defined benefit obligation:

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended March 31, 2025	Estimated for the year ended March 31, 2024
1st Following Year	0.79	0.71
2nd Following Year	3.72	0.68
3rd Following Year	1.86	3.39
4th Following Year	0.63	1.60
5th Following Year	4.50	0.52
Sum of Years 6 to 10	5.52	6.56

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to the financial statements for the year ended March 31, 2025

Sensitivity Analysis

Particulars	Gratuity	
	As at March 31, 2025	As at March 31, 2024
Defined Benefit Obligation - Discount Rate + 50 basis points	16.04	13.04
Defined Benefit Obligation - Discount Rate - 50 basis points	17.06	13.91
Defined Benefit Obligation - Salary Escalation Rate + 50 basis points	17.07	13.92
Defined Benefit Obligation - Salary Escalation Rate - 50 basis points	16.03	13.03
Defined Benefit Obligation - Withdrawal Rate + 1000 basis points	16.57	13.51
Defined Benefit Obligation - Withdrawal Rate - 1000 basis points	16.50	13.42

These sensitivities have been calculated above to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analyses.

Note 31: Earnings per share (EPS)

The following reflects the loss and share data used in the basic and diluted EPS computations:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic		
Profit for the year attributable to owners of the company (Amount in Lakhs)	176.49	185.45
Weighted average number of equity shares in calculating EPS (number)	6,061,000	6,061,000
Earnings per share (Basic and Diluted)	2.91	3.06

Note 32: Contingent Liabilities

The following are the details of pending litigations during the year:-

(Amount in Lakhs)

Party Name	Nature of Notice/ Case	Current Status	Disputed Amount
GST 2017-2022	GST Appellate Tribunal	Appeal Pending with GST Appellate Tribunal	20.79

Note 33: Payment to auditors

(Amount in Lakhs)

Particulars	March 31, 2025	March 31, 2024
a) for audit	1.96	1.96
b) for professional Fees		-
Total	1.96	1.96

Note 34: Operating lease arrangements

The Company as a lessee

Leasing arrangements

The Company's significant leasing arrangements are in respect of operating leases taken for Office Premises. These leases have an average life of between 12 months with renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

Payments recognised as an expense

(Amount in Lakhs)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Minimum lease payments	15.01	14.27
Total	15.01	14.27

Notes to the financial statements for the year ended March 31, 2025

Note 35: Segment information

The Company has identified one operating segment viz, "Packing Products" which is consistent with the internal reporting provided to the Board of Directors, who has been identified as the chief operating decision maker (CODM). The CODM is responsible for allocating resources and assessing performance of the operating segment of the Company.

Geographical information

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Segment Revenue – External Turnover		
Within India	9,376.17	7,415.98
Outside India	1,657.08	2,649.13
Total	11,033.26	10,065.11
Non-Current Assets		
Within India	1,412.98	698.66
Outside India		
Total	1,412.98	698.66

Information about major customers

Revenue from operations includes revenue arising from sales of goods of year ended March 31, 2024 Rs. 1746.01 lakhs (year ended March 31, 2024 Rs. 3802.50 lakhs) which arose from sales to its one (March 31, 2024: two) major customers which accounts for 15.82% (year ended March 31, 2024 : 37.78%) of the total revenue from sales.

Note 36 : Financial Instruments

(i) Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

As at March 31st, 2025, the capital structure of the company consists of net debt (borrowings as detailed in Note 2.3(i) offset by cash and cash equivalents) and total equity of the company.

The company is not subject to any externally imposed capital requirements.

In order to maintain or achieve an optimal capital structure, the Company reviews its capital on semi annual basis. As a part of review the company considers the cost of capital and the risks associated with each class of capital.

Gearing Ratio

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
Debt	1,009.04	730.45
Cash and cash balances	0.66	43.59
Net Debt	1,009.38	687.86
Total Equity	606.10	606.10
Net Debt to Equity Ratio	1.67	1.13

Notes to the financial statements for the year ended March 31, 2025

(ii) Categories of financial instruments

(Amount in Lakhs)

Particulars	As at March 31, 2025	As at March 31, 2024
<u>Financial assets</u>		
<u>Measured at amortised cost</u>		
Trade Receivables	1,238.74	1,227.83
Cash and cash equivalents	-94.35	-27.75
Other Bank balance	95.02	71.34
Other financial assets (Current and Non Current)	41.68	11.34
<u>Financial liabilities</u>		
<u>Measured at amortised cost</u>		
Borrowings	1,009.04	730.45
Trade payables	1,348.31	1,541.30
Other financial liabilities	618.87	44.58

(iii) Financial risk management objectives

The Company's business activities are exposed to a variety of financial risks, namely Credit risk, Liquidity risk, Currency risk, Interest risks and Commodity price risk. The Company's Senior Management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company monitors and manages the financial risks relating to the operations of the entity through internal risk reports which analyse exposures by degree and magnitude of the risk.

(iii) (a) Market

(iii) (a) Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is currently not exposed to market risk in the reporting period.

(iii) (b) Credit risk management

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances

The carrying amount of following financial assets represents the maximum credit exposure:

Trade Receivable & Staff Loan: Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and staff loan. The company has a trade policy approved by the Management that is designed to ensure consistent processes are in place to measure and control credit risks.

The company has trade relations with reputed third parties. The receivables are constantly managed through credit approvals, establish credit limits and continuously monitoring the credit worthiness of customers. The company follows the market norms in terms of its credit policy. The credit terms offered to export customers is around 120-150 days and 30 to 60 days to the customers in the domestic market. The company's historical experience of collecting receivables, supported by the level of default is that the credit risk is low across territories and so trade receivables are considered to be a single class of financial assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in the financial statements.

Notes to the financial statements for the year ended March 31, 2025

(iii) (c) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows.

Liquidity risk tables

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2025

Particulars	Due in 1st year	Due in 1- 5 years	Carrying amount
<u>Financial Liabilities</u>			
Trade payables	1,348.31	-	1,348.31
Borrowings	769.96	239.08	1,009.04
Other financial liabilities	618.87	-	618.87
Total	2,737.14	239.08	2,976.22

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2024

Particulars	Due in 1st year	Due in 1- 5 years	Carrying amount
<u>Financial Liabilities</u>			
Trade payables	1,541.30	-	1,541.30
Borrowings	624.26	106.19	730.45
Other financial liabilities	44.58	-	44.58
Total	2,210.14	106.19	2,316.33

Note 37 : Fair Value Measurement

(i) Fair value of financial assets and financial liabilities that are measured at fair value on recurring basis

The management consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(ii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

(Amount in Lakhs)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
<u>Financial assets at amortised cost:</u>				
Trade Receivables	1,238.74	1,238.74	1,227.83	1,227.83
Cash and cash equivalents	(94.35)	(94.35)	(27.75)	(27.75)
Other bank balances with bank	95.02	95.02	71.34	71.34
Other financial assets	41.68	41.68	11.34	11.34
Financial Liabilities				
<u>Financial liabilities held at amortised cost:</u>				
Trade payables	1,348.31	1,348.31	1,541.30	1,541.30
Borrowings	1,023.19	1,009.04	730.45	730.45
Other financial liabilities	618.87	618.87	44.58	44.58

Notes to the financial statements for the year ended March 31, 2025

The Fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and duration of the instruments. Accordingly, fair value of such instruments is not materially different from their carrying amounts. Further refer note 2.3 (h)

Note 38 : Disclosure of Ratios along with explanation of computation details

Ratio	Numerator	Denominator	As at 31 March 2025			As at 31 March 2024			Variance
			Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
a) Current Ratio	Current Assets	Current Liabilities	2,621	2,842	0.92	2,613	2,441	1.07	(13.84%)
b) Debt-Equity Ratio	Borrowings (includes borrowings(current and non current) + lease liabilities - cash and cash equivalents)	Total Equity	1,009	606.10	1.67	688	606	1.13	46.74%

Reasons For Variance (where variance > 25%)

For b) - The Company has raised a unsecured loan for meeting working capital requirement, leading to a change in the Debt-Equity Ratio.

Ratio	Numerator	Denominator	As at 31 March 2024			As at 31 March 2023			Variance
			Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	
c) Debt Service Coverage ratio	Earning available for Debt Services* (PAT + Depreciation & Amortisation + Interest on borrowings & Lease liabilities + Tax expenses)	Debt Service (Interest on borrowings & Lease liabilities + Lease payments + Principal repayments of borrowings)	446	129.12	3.45	386	66.55	5.80	-40%
d) Return on Equity Ratio	Profit available for equity Shareholders (PAT)*	Equity	176	897	0.20	185	721	0.26	-23.48%
e) Inventory Turnover Ratio	COGS* (Cost of Material Consumed + Purchases of stock-in-trade + Changes in inventories of stock-in-trade)	Average Inventory ((Opening inventory + Closing inventory)/2)	9,923	1,203	8.25	9,092	1,214	7.49	10.10%
f) Trade receivable turnover ratio	Revenue from operations*	Average Trade Receivable ((Opening Trade Receivables + Closing Trade Receivables)/2)	11,033	1,233	8.95	10,065	1,048	9.60	(6.83%)
g) Trade Payable turnover ratio	Cost of Material Purchased + Purchases of stock-in-trade*	Average Trade Payables \$ ((Opening Trade payables + Closing Trade payables)/2)	9,884	1,445	6.84	9,081	1,412	6.43	6%
h) Net Capital Turnover Ratio	Revenue from operations*	Working capital : Current assets - Current liabilities	11,033	(221)	(49.94)	10,065	172	58.53	-185%

Notes to the financial statements for the year ended March 31, 2025

Reasons For Variance (where variance > 25%)

c) Due to incremental interest cost on account of working capital loan raised by the company, there is a change in the Debt Service Coverage ratio.

h) Due to an increase in Other Financial Liabilities, there is a change in the Net Capital Turnover Ratio.

i) Net profit ratio	PAT#	Revenue from operations*	176.49	11,033	1.60%	185	10,065	1.84%	-13.18%
j) Return of capital employed	EBIT (earning before interest & tax) = Profit before tax + Finance cost	Average capital Employed(Tangible net worth^ + Total Borrowings + deferred tax liability) (Tangible net worth = Total assets - Intangible assets - Total Liabilities)	372	952.88	0.39	316	726	0.44	(10%)

Reasons For Variance (where variance > 25%)

Ratio

k) Return on Investment

This ratio is not applicable since the Company does not have any projects/investments other than current operations

* Not annualised

\$ Trade payables includes payables for goods and services

^Tangible net worth : Total assets - Intangible assets - Total Liabilities

Total assets : Total assets - Right of Use assets - Deferred Tax assets (Net)

Total Liabilities : Total Liabilities - Lease Liabilities

Total Borrowings : Borrowings - Cash Equivalents

#PAT - Profit after Taxes

Note 39 : Related party transactions

A . Details of related parties

Description of relationship	Name of the Related Party
Associates	Sonal Impex Limited Sonal Filaments Limited Sonal Ropes Limited ZAIN Fresh Agro Limited
Key Management Personnel	Mr. Sandeep Arora Mr. Nitin Rane Mr. Manish Nanda Mrs. Mridu Arora
Relative of Key Management Personnel	Mrs. Kamal Arora

Notes to the financial statements for the year ended March 31, 2025

(Amount in Lakhs)

S. No.	Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Nature of Transactions/ Names of Related Parties			
A Associates			
I Sonal Impex Limited			
Loan Taken	-	68.02	
Loan Repaid	10.11	0.65	
Interest Paid	51.84	57.60	
Corporate Guarantee Charges Paid	5.90		
II Sonal Ropes Limited			
Rent	4.80	4.80	
B Key Management Personnel			
I Sandeep Arora			
Director Remuneration	24.00	24.00	

(Amount in Lakhs)

S. No.	Particulars	As at March 31, 2025	As at March 31, 2024
<u>Balance outstanding</u>			
A Associates			
I Sonal Impex Limited	626.84	579.21	
II Sonal Ropes Limited	3.08	2.28	

Note 40 : Additional Regulatory Information (Not applicable disclosures)

- The Company does not own benami properties. Further, there are no proceedings which have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- During the current and previous periods, the Company has not traded or invested in Crypto currency or Virtual Currency.
- There were no Scheme of Arrangements entered by the Company during the current and previous, which required approval from the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- The Company has no direct wholly owned subsidiaries and accordingly, the Company is compliant with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

Notes to the financial statements for the year ended March 31, 2025

g) Relationship with struck-off companies

Name of struck off Company:

Relationship with struck off Company: Investment in Equity Shares of the Company without exercising significant influence over management

Nature of transactions with struck-off Company	Balance outstanding
Investments in securities	-
Receivables	-
Payables	-
Shares held by stuck off Company	-
Other outstanding balances (to be specified)	-

h) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

Note 41: Audit Trail

The Company is maintaining its books of account which has feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled, throughout the year as required by proviso to sub rule (1) of rule 3 of The Companies (Accounts) Rules, 2014 known as the Companies (Accounts) Amendment Rules, 2021.

Further, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Note 42: 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) There are no investments, securities and guarantees provided and no guarantees given during the year.

Note 43:- Previous year's figures have been regrouped wherever necessary, to conform to the current year's classification.

Note 44:- The balance shown in Sundry Debtors, Sundry Creditors, Advances, are subject to confirmation from respective parties

See accompanying notes forming part of the financial statements.

In terms of our report attached

M. C. Asawa & Co.

Chartered Accountants

Firm Registration No : 008041C

Mukund Sarda

Proprietor

Membership No.: 163405

For Sonal Adhesives Limited

Sd/-

Sandeep Arora

Managing Director

DIN: 00176939

Sd/-

Anuradha Dubey

Company Secretary

A65278

Sd/-

Nitin Rane

Director

DIN: 07237310

Sd/-

Ajeet Singh

Chief Financial Officer

BMTPS7181Q

Place: Khopoli

Date: 29th May, 2025

Place: Khopoli

Date: 29th May, 2025

[illegible]

[illegible]

SONAL ADHESIVES LTD.

Plot No. 28/1A, Village Dheku,
Takai Adoshi Road, Off: Khopoli Pen Road,
Tal: Khalapur, Dist., Raigad – 410 203