28th August, 2026

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

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

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

Dear Sir/ Madam,

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

In this regard, please find enclosed herewith an email communication which has been sent to all the shareholders having their email ID's registered with the Company/Depositories, elaborating the process to be followed in respect of the applicability of tax deduction and formalities to be complied by the shareholders to ensure appropriate deduction of tax on the dividend, if declared and payable during the financial year 2026-27.

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

You are requested to take the same on record.

Thanking you.

Yours faithfully,

For HP Adhesives Limited

KARAN HARESH MOTWANI
Digitally signed by KARAN HARESH MOTWANI
Date: 2026.08.28 10:23:49 +05'30'

Karan Haresh Motwani
Managing Director
DIN: 02650089
Encl: As above

HP ADHESIVES LIMITED
CIN: L24304MH2019PLC325019
Registered Office: 11, Unique House, Chakala Cross Road, Andheri East, Mumbai 400099, Maharashtra, India.
Corporate Office : 501, 5th Floor, C Wing, Business Square, Chakala, Andheri (East), Mumbai 400093, Maharashtra, India.
Tel No : + 91-22-6819 6300; **Website :** www.hpadhesives.com; **Email :** investors@hpadhesives.com

Date: 28th August, 2026

Dear Shareholder,

We are pleased to inform you that the Board of Directors of the Company, at their meeting held on 12th May, 2026 has declared a dividend @ 20% i.e Rs. 0.40/- per Equity Share of Rs. 2/- each for the Financial Year ended 31st March, 2026 The dividend will be paid by the Company to the shareholders subject to the approval of the same by the shareholders at the ensuing Annual General Meeting of the Company.

Shareholders may note that pursuant to the changes in the Income-tax Act, 1961 ('the Act'), as amended by the Finance Act, 2020, dividends paid or distributed by the Company on or after 1st April, 2020 shall be taxable in the hands of the shareholders. The Company shall therefore be required to deduct tax at source ('TDS') (at the applicable rates) at the time of payment of the dividend. The withholding tax rate would vary depending on the residential status of the shareholder(s) and subject to verification of documents, sent by the shareholder(s) to email id tds@bigshareonline.com.

The below mentioned communication provides a brief of the applicable Tax Deduction at Source ('TDS') provisions under the Act for Resident and Non-Resident shareholder(s) categories.

1. For Resident Shareholders:

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / have not registered their valid PAN details in their account, TDS at the rate of 20% shall be deducted under Section 206AA of the Act. No tax shall be deducted on the dividend payable to the following residents where they provide details and documents as follows:

Type of Shareholders	Applicable Rate	Action / Documents required (if any)
Resident Individuals to whom total dividend to be paid/ likely to be paid in FY 2026-27 does not exceed Rs. 10,000	NIL	None
Resident Individuals/Huf submitting Form 121 is for preventing TDS deduction on interest, dividends, and other income by declaring that their total income is below the taxable limit/nil	NIL	Form 121 is the new self-declaration form under Section 393 of the Income Tax Act 2025 read with the Income Tax Rules 2026. The new Form 121 is a unified form which replaces both the old Form 15G and Form 15H effective from 1st April 2026 applicable for Tax Year 2026-27 and onwards. However, the purpose of Form 121 remains the same but simplifies the process by providing a single declaration form for all taxpayers instead of separate forms based on age. Annexure 1
Insurance Companies	NIL	Self-declaration that it qualifies as 'Insurer' as per Section 2(7A) of the Insurance Act, 1938 in *Annexure 2* and has full beneficial interest with respect to the Equity Shares owned by it along with self-attested copy of PAN card and Certificate of Registration with Insurance Regulatory and Development Authority (IRDA)/LIC/GIC.
Mutual Funds	NIL	Self-declaration that it is registered with SEBI and is notified under Section 10 (23D) of the Act in *Annexure 3* along with self-attested copy of PAN card and certificate of registration with SEBI.
Alternative Investment Fund (AIF) established in India	NIL	Self-declaration that they are specified in Section 10 (23FBA) of the Act and established as Category I or Category II AIF under the SEBI regulations in *Annexure 4* along with self-attested copy of PAN card and registration certificate issued by SEBI
New Pension System (NPS) Trust	NIL	Self-declaration that it qualifies as NPS trust and income is eligible for exemption under section 10(44) of the Act and being regulated by the provisions of the Indian Trusts Act, 1882 along with self-attested copy of the PAN card.
Other Non-Individuals	NIL	Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.
Submitting Order/ Certificate under Section 197 of the Income Tax Act, 1961 (the Act)	Rate provided in the Order	Lower/ NIL withholding tax certificate for the financial year 2026-27, if any, obtained from Income Tax authorities. In case the shareholder has obtained tax exemption status under any provisions of the Act, the documentary evidence along with declaration for the same in **Annexure 5**

For Non-Resident Shareholders:

Taxes are required to be withheld in accordance with the provisions of Section 195 and Section 196D of the Act, as per the rates as applicable.

Type of Shareholders	Applicable Rate	Action / Documents required (if any)
Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	None
Other Non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Treaty (DTAA) between India and the country of tax residence of the shareholder, as per Section 90 of the Act,	20% (plus applicable surcharge and cess) OR Tax Treaty Rate** **(whichever is lower)**	Update/Verify the PAN, legal entity status and the residential status as per the Act, if not already done, with the depositories. In order to apply the Tax Treaty rate, ALL the below mentioned documents would be required: Self-Attested copy of PAN allotted by the Indian Income Tax authorities. In case of non-availability of PAN, information under sub-rule 2 of Rule 37BC to be submitted in *Annexure 6* Self-Attested copy of the Tax Residency Certificate (TRC) applicable for the period April 2026 to March 2027 obtained from the tax authorities of the country of which the shareholder is a resident. Self-declaration in Form 10F duly filled and signed in *Annexure 7* Self-declaration from Non-resident of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (for the period April 2026 to March 2027) in *Annexure 8*
Submitting Order/ Certificate u/s 197 (i.e. lower or NIL withholding tax certificate)	Rate provided in the Order	Lower/ NIL withholding tax certificate for the financial year 2026-27, if any, obtained from Tax Authorities.

**The Company is not obligated to apply the beneficial Tax Treaty Rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial Tax Treaty Rates shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company.

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

In order to enable the Company to provide credit of tax deducted at source to beneficial shareholders in whose hands dividend paid by Company is assessable, shareholders are requested to provide declaration in format as prescribed under Rule 37BA(2) of the Income Tax Rules, 1962 - ***Annexure 9***

4. Shareholders having multiple accounts under different status / category:

Shareholders holding Equity shares under multiple accounts under different status / category and single PAN, may note that, higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

5. TDS to be deducted at higher rate in case of non-filers of Return of Income:

The Finance Act, 2021, has inter alia inserted the provisions of section 206AB of the Act with effect from 1st July 2021. The provisions of section 206AB of the Act require the deductor to deduct tax at higher of the following rates from amount paid/ credited to 'specified person':

i. At twice the rate specified in the relevant provision of the Act; or
ii. At twice the rate(s) in force; or
iii. At the rate of 5%.

The 'specified person' means a person who has:

a. not filed return of income for both of the two assessment years relevant to the two previous years immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing return of income under sub-section (1) of section 139 has expired; and
b. subjected to tax deduction/collection at source in aggregate in his case amounting to Rs. 50,000 or more in each of such two immediate previous years.

The non-resident who does not have a permanent establishment is excluded from the scope of a specified person. In case government provides any guidelines to comply with section 206AB, your company will deduct tax in accordance with said guidelines. Tax deducted in accordance with said guidelines is final and company shall not refund/ adjust said amount subsequently.

Shareholders are required to provide Declaration in Relation to section 206AB/206CCA of the Income Tax Acts 1961(THE ACT) **Annexure 10**

We request you to inform us well in advance and before cut-off date, if you are covered under the definition of 'specified person' as provided in section 206AB of the Act. The Company reserves its right to recover any demand raised subsequently on the Company for not informing our RTA Bigshare Services Pvt.Ltd. or Company or providing wrong information about applicability of section 206AB in your case.

FOR ALL SHAREHOLDERS:

The aforementioned forms/annexures can be downloaded from the link: https://www.hpadhesives.com/investor-relations/

The aforementioned documents (duly completed and signed) are required to be submitted to the Company's RTA at tds@bigshareonline.com.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Act, we request you to provide the details and documents as applicable to you on or before 11.59 pm (IST) on **Monday, 14th September, 2026.**

Incomplete and/ or unsigned forms and declarations will not be considered by the Company. No communication on the tax determination/ deduction shall be considered post **Monday, 14th September,2026.**

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

Shareholders may note that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/ documents, option is available to the shareholder to file the return of income as per the Act, and claim an appropriate refund, if eligible.

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

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

UPDATION OF BANK ACCOUNT AND PAN DETAILS

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

Shareholders are further requested to update tax residential status, permanent account number (PAN), registered email address, mobile numbers and other details with their depository participants.

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

For HP Adhesives Limited

Sd/-
Karan Haresh Motwani
Managing Director