

**Independent Auditors' Report****To the Board of Directors of****Pidilite Industries Limited****Report on the Financial Statements****Opinion**

At the request of Pidilite Industries Limited ("PIL"), the Holding Company of Pidilite USA Inc. ('PUSA' or 'the Company'), registered as a limited liability Company in Florida, United States of America, we have audited the financial statements of the Company, which comprise the Balance sheet as at 31 March 2025, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Other Matter-Restriction on Use**

These financial statements are prepared for the use of the Company and the Holding Company, Pidilite Industries Limited and are prepared for the sole purpose of compliance with section 129(3) the Act. These financial statements are not the statutory financial statements of the Company. As a result, these financial statements may not be suitable for any other purpose. Our report must not be copied, disclosed, quoted, or referred to, in correspondence or discussion, in whole or in part to anyone other than the purpose for which it has been issued without our prior written consent.

### **Management's and Board of Directors' Responsibility for the Financial Statements**

The Holding Company, PUSA's Management and their Board of Directors are responsible for the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss (including other comprehensive Income), changes in equity and cash flows of the Company in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

**Auditors' Responsibility for the Audit of the Financial Statements (*Continued*)**

- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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.

We communicate with the those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022

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NAIR**

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**Deepak Nair**

*Partner*

Mumbai

02 July 2025

Membership No: 139861

UDIN : 25139861BMNZRF5499

**Pidilite USA, Inc.**  
**Balance Sheet as at 31st March, 2025**

(Amount in US\$)

Particulars	Notes	As at 31st March, 2025	As at 31st March, 2024
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Property, Plant and Equipment	3	-	-
(b) Right of Use Assets	4	-	-
(c) Goodwill	5	-	-
(d) Other Intangible Assets	5	-	-
<b>Total Non Current Assets</b>		<b>-</b>	<b>-</b>
<b>2. Current Assets</b>			
(a) Financial Assets			
(i) Investments	6	<b>1,022,260</b>	1,113,054
(iii) Cash and Cash Equivalents	7	<b>663,543</b>	909,001
(iv) Other Financial Asset	8	<b>68,877</b>	25,372
<b>Total Current Assets</b>		<b>1,754,680</b>	2,047,427
<b>TOTAL ASSETS</b>		<b>1,754,680</b>	<b>2,047,427</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	9	<b>2,780,000</b>	2,780,000
(b) Other Equity	10	<b>(1,052,860)</b>	(786,875)
<b>Total Equity</b>		<b>1,727,140</b>	1,993,125
<b>1. Current liabilities</b>			
(a) Financial liabilities			
i) Trade Payables	11	<b>27,540</b>	36,908
ii) Others Financial Liabilities	12	-	14,757
(b) Other Current Liabilities	13	-	2,637
<b>Total Current Liabilities</b>		<b>27,540</b>	54,302
<b>Total Liabilities</b>		<b>1,754,681</b>	2,047,427
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,754,680</b>	<b>2,047,427</b>

Summary of material accounting policies

2

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No.- 101248W/W-100022

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**Deepak Nair**

Partner

Membership Number: 139861

Place : Mumbai

Date : 02nd July 2025

**For and on behalf of Pidilite USA, Inc.**

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**Sanket Parekh**

President

Place : Miami, Florida

Date : 02nd July 2025

## Statement of profit and loss for the year ended 31 March 2025

(Amount in US\$)

Particulars	Notes	For the year ended 31st March 2025	For the year ended 31st March 2024
<b>Income</b>			
Other Income	14	84,685	286,114
<b>Total Income</b>		<b>84,685</b>	<b>286,114</b>
<b>Expenses</b>			
Employee benefit expenses	15	90,209	-
Other expenses	16	260,461	-
<b>Total expenses</b>		<b>350,670</b>	<b>-</b>
<b>(Loss)/Profit before tax from continuing operations</b>		<b>(265,985)</b>	<b>286,114</b>
<b>Tax expense</b>			
Current tax		-	(84)
Deferred Tax		-	-
<b>(Loss)/Profit for the year from continuing operations (A)</b>		<b>(265,985)</b>	<b>286,198</b>
Loss from discontinued operations before tax	17	-	(2,875,974)
Tax adjustment of discontinued operations		-	-
<b>Loss from discontinued operations after tax (B)</b>		<b>-</b>	<b>(2,875,974)</b>
<b>Loss for the year (A+B)</b>		<b>(265,985)</b>	<b>(2,589,776)</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Loss for the year</b>		<b>(265,985)</b>	<b>(2,589,776)</b>
<b>Earning per equity share (for continuing operations)</b>			
Basic and Diluted	18	(0.10)	0.10
<b>Earning per equity share (for discontinued operations)</b>			
Basic and Diluted	18	-	(1.03)
<b>Earning per equity share (for continuing and discontinued operations)</b>			
Basic and Diluted	18	(0.10)	(0.93)
<b>Summary of material accounting policies</b>	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No.- 101248W/W-100022

**DEEPAK  
NAIR**

**Deepak Nair**

Partner

Membership Number: 139861

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**For and on behalf of Pidilite USA, Inc.**

Signed by:  
  
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**Sanket Parekh**

President

Place : Mumbai  
Date : 02nd July 2025

Place : Miami, Florida  
Date : 02nd July 2025

## Cash flow statement for the year ended 31st March, 2025

(Amount in US\$)

	For the year ended 31st March 2025	For the year ended 31st March 2024
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**Cash flows from Operating Activities****(Loss)/Profit before tax from continued operations****(265,985)**

286,114

**Loss before tax from discontinued operations****-**

(2,875,974)

**Adjustments for:**

Depreciation and amortization

**-**

21,784

Write back for doubtful debts

**-**

(11,344)

Write back for slow-moving inventory

**-**

(516,280)

Loss on sale and disposal of property, plant and equipment

**-**

64,281

Dividend Income

**(49,546)**

(262,257)

Impairment of investment

**50,797****-****(264,734)**

(3,293,676)

**Movements in working capital:**

(Increase)/decrease in Inventory

**-**

4,750,510

(Increase)/decrease in Trade receivables

**-**

2,667,136

(Increase)/decrease in other current other financial assets  
(Current and Non Current)**(43,505)****-**

Increase/(decrease) in Other Liabilities and Provision

**(17,394)**

(860,005)

Increase/(decrease) in trade payables

**(9,368)**

(207,329)

**Cash (used)/generated from Operations****(335,001)**

3,056,636

Income taxes paid

**-**

84

**Net Cash flow (used)/generated from Operating Activities (A)****(335,001)**

3,056,720

**Cash flows from Investing Activities**

Sale of Property, Plant and Equipment

**-**

90,939

Payments for acquisition of Investments

**(49,546)**

(7,262,257)

Dividend Income

**49,546**

262,257

Proceeds from sale of Investments

**89,543**

6,200,000

**Net cash flows from/(used) in Investing Activities (B)****89,543**

(709,061)

**Cash flows from Financing Activities**

Buy-back of shares

**-**

(9,600,000)

**Net cash flows used in Financing Activities (C)****-**

(9,600,000)

Net decrease in cash and cash equivalents (A+B+C)

**(245,458)**

(7,252,341)

Cash and cash equivalents at the beginning of the year

**909,001**

8,161,342

**Cash and cash equivalents at the end of the year****663,543**

909,001

**Components of cash and cash equivalents**

Balances with banks - in current accounts

**295,401**

275,472

In Fixed Deposit Accounts with original maturity of 3 months or less

**368,142**

633,529

**Total cash and cash equivalents****663,543**

909,001

**Summary of material accounting policies**

2

As per our report of even date attached

**For B S R & Co. LLP**

Chartered Accountants

Firm Registration No.- 101248W/W-100022

**For and on behalf of Pidilite USA, Inc.****DEEPAK NAIR**Digitally signed by DEEPAK NAIR  
Date: 2025.07.02 18:53:28 +05'30'Signed by:  
  
8CCD3C75756949**Deepak Nair**

Partner

Membership Number: 139861

**Sanket Parekh**

President

Place : Mumbai

Date : 02nd July 2025

Place : Miami, Florida

Date : 02nd July 2025

Pidilite USA, Inc.  
Statement of changes in Equity for the year ended 31st March, 2025

(Amount in US\$)		
a. Equity Share Capital	As at 31st March, 2025	As at 31st March, 2024
Opening Balance	2,780,000	14,780,000
Changes in equity share capital during the year	-	(12,000,000)
Closing Balance	2,780,000	2,780,000

(Amount in US\$)		
b. Other Equity	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 1st April 2023	(597,099)	(597,099)
Loss for the year	(2,589,776)	(2,589,776)
Other comprehensive income for the year, net of income tax	-	-
Gain on buyback of shares	2,400,000	2,400,000
Balance as at 31st March, 2024	(786,875)	(786,875)
Loss for the year	(265,985)	(265,985)
Other comprehensive income for the year, net of income tax	-	-
Balance as at 31st March, 2025	(1,052,860)	(1,052,860)

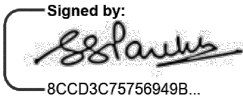
As per our report of even date attached  
For B S R & Co. LLP  
Chartered Accountants  
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Date: 2025.07.02 18:53:52 +05'30'

Deepak Nair  
Partner  
Membership Number: 139861

Place : Mumbai  
Date : 02nd July 2025

For and on behalf of Pidilite USA, Inc.

Signed by:  
  
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Sanket Parekh  
President

Place : Miami, Florida  
Date : 02nd July 2025

## **1. Corporate information**

Pidilite USA, Inc. ("the Company") was incorporated in Delaware on May 12, 2006. The Company is a wholly owned subsidiary of Pidilite Industries Limited (parent company), a publicly listed company in India.

### **2.1A Basis of accounting and preparation of financial statements**

The financial statements are prepared in accordance with the Indian Accounting Standards(Ind AS) as per the Companies(Indian Accounting Standards) Rule, 2015 notified under Section 133 of the Indian Companies Act, 2013("the Act").

These financial statements do not constitute a set of statutory financial statements in accordance with the local laws in which the company is incorporated and are prepared for the sole purpose of compliance with section 129(3) of the Act.

The financial statements have been prepared on an accrual basis under the historical cost basis, except otherwise stated.

The financial statements are presented in United States Dollars (USD).

### **2.1B Current / Non-Current Classification**

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. the asset/liability is expected to be realised/ settled in the Company's normal operating cycle;
- ii. the asset is intended for sale or consumption;
- iii. the asset/liability is held primarily for the purpose of trading;
- iv. the asset/liability is expected to be realised/settled within twelve months after the reporting period;
- v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- vi. in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

### **2.1C Functional and Presentation Currency**

These financial statements are presented in United State Dollars (USD) which is also the functional currency. All the amounts have been rounded off to the nearest USD, unless otherwise indicated.

## **2.2 Significant Accounting Judgements and key sources of Estimation Uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts of assets, liabilities, income and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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 if the revision affects both current and future periods.

## Notes forming part of the financial statements for the year ended 31 March 2025

### 2.3 Employee Benefits

#### 2.3.1 Short-term Benefits

Employee benefits include salaries and wages, social security contributions and other benefits.

#### 2.3.2 Post-Employment Benefits

The Company's contribution to 401(k) retirement plan is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### 2.4 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 2.4.1 Current Tax

The tax currently payable is based on taxable profit for the year and any adjustment of the tax payable or receivable in respect of previous years. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the respective Country's slab rate and other tax laws, as applicable.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 2.4.2 Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised 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.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

#### 2.4.3 Current and Deferred Tax for the year

Current and deferred tax are recognised in 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The provision is estimated based on one of two methods, the expected value method (the sum of the probability weighted amounts in a range of possible outcomes) or the single most likely amount method, depending on which is expected to better predict the resolution of the uncertainty.

## **2.5 Financial Instruments**

### **2.5.1 Initial Recognition and Measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

All financial assets and financial liabilities are initially measured at fair value, except for trade receivables without a significant financing component which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at Fair Value Through Profit or Loss (FVTPL) are recognised in the Statement of Profit and Loss.

### **2.5.2 Financial Assets**

#### **Classification**

Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### **Initial Recognition and Measurement**

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

#### **Subsequent Measurement**

For the purpose of subsequent measurement, financial assets are classified in two broad categories:

(i) Financial assets at fair value (FVTPL/FVTOCI)

(ii) Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognised in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognised in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

#### **Financial Assets measured at Amortised Cost (net of any write down for impairment, if any)**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

#### **Financial Assets measured at Fair Value through Other Comprehensive Income ("FVTOCI")**

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

#### **Financial Assets measured at Fair Value through Profit or Loss ("FVTPL"):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

#### **Derecognition of Financial Assets**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or Company has transferred its rights to receive cash flows from the asset.

#### **Impairment of Financial Assets**

In accordance with Ind AS 109, Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

### **2.5.3 Financial Liabilities and equity instruments**

#### **2.5.3.1 Classification of debt or equity**

Debt or equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of financial liability and equity instrument.

#### **2.5.3.2 Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### **2.5.4 Financial Liabilities**

All financial liabilities (other than derivative financial instruments) are measured at amortised cost using effective interest method at the end of reporting periods.

### **2.5.5 Derecognition of Financial Assets and Liabilities**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive the cash flows of the financial asset in which substantially all the risks and rewards of ownership of the financial asset are transferred, or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and does not retain control of the financial asset.

The Company derecognises a financial liability (or a part of financial liability) when the contractual obligation is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the Statement of Profit and Loss.

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

## **2.6 Property, Plant and Equipment**

Useful lives of tangible assets, as determined by the company and assessed on an annual basis, is based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II of the Companies Act, 2013, prevalent in India, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

## **2.7 Intangible Assets**

Internal technical or user team assess the remaining useful lives of Intangible assets. Management believes that assigned useful lives are reasonable.

**Notes forming part of the financial statements for the year ended 31 March 2025****2.8 Leasing**

The Company at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

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: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short - term leases). For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

**2.9 Provisions and Contingencies**

A provision is recognised when as a result of past event, the Company has a present legal or constructive obligation which can be reliably estimated and it is probable that an outflow of economic benefit will be required to settle the obligation.

Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

**2.10 Earnings per share**

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares, which includes all stock options granted to employees.

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.

**2.11 Discontinued operations**

A discontinued operation is a component of the Company's business that represents a separate line of business that has been disposed of or is held for sale. Classification as a discontinued operation occurs upon the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

**2.12 Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit / loss before tax for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments. Cash Flows from operating, investing and financing activities of the Company are segregated.

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise of cash at bank, cash in hand and short- term deposits with an original maturity of three months or less, as reduced by bank overdrafts.

## Pidilite USA, Inc.

Notes forming part of the financial statements for the year ended 31st March 2025

3	Property, Plant and Equipment Carrying Amount	(Amount in US\$)	
		As at 31st March 2025	As at 31st March 2024
	Plant and Machinery	-	-
	Office Equipment	-	-
	<b>TOTAL</b>	<b>-</b>	<b>-</b>

Gross Carrying amount	Plant and Machinery	Office Equipment	Total
Balance as at 1st April 2023	3,172,183	358,167	3,530,350
Additions	-	-	-
Disposal	(3,172,183)	(358,167)	(3,530,350)
Balance as at 31st March 2024	-	-	-
Additions	-	-	-
Disposal	-	-	-
Balance as at 31st March 2025	-	-	-

Accumulated depreciation	Plant and Machinery	Office Equipment	Total
Balance as at 1st April 2023	(345,927)	(3,009,554)	(3,355,481)
Depreciation expense	(19,451)	(1,604)	(21,055)
Disposal	365,378	3,011,158	3,376,536
Balance as at 31st March 2024	-	-	-
Depreciation expense	-	-	-
Disposal	-	-	-
Balance as at 31st March 2025	-	-	-

Net Carrying Amount	Plant and Machinery	Office Equipment	Total
Balance as at 31st March 2024	-	-	-
Balance as at 31st March 2025	-	-	-

During the year ended 31st March, 2024, the Company sold all off its tangible assets for an amount of \$90,939. The gross block of sold assets was \$3,728,700 and accumulated depreciation till the date of sale was \$ 3,573,480 resulting in a loss on sale of these assets amounting to \$64,281 which has been charged off to statements of operations (discontinued). Depreciation expense for the year is \$ NIL (March 31, 2024: \$21,784).

4	Right of use asset Carrying Amount		
		As at 31st March 2025	As at 31st March 2024
	Leasehold Improvement	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>

Gross Carrying Amount	Leasehold Improvement
Balance as at 1st April 2023	198,350
Additions	-
Disposal	(198,350)
Balance as at 31st March 2024	-
Additions	-
Disposal	-
Balance as at 31st March 2025	-

Accumulated Depreciation	Leasehold Improvement
Balance as at 1st April 2023	(196,216)
Depreciation expense	(729)
Disposal	196,945
Balance as at 31st March 2024	-
Depreciation expense	-
Disposal	-
Balance as at 31st March 2025	-

Net Carrying amount	Leasehold Improvement
Balance as at 31st March 2024	-
Balance as at 31st March 2025	-

Pidilite USA, Inc.  
Notes forming part of the financial statements for the year ended 31st March 2025

5 Goodwill and Other Intangible Assets

(Amount in US\$)					
Carrying Amounts	As at		As at		
	31st March 2025		31st March 2024		
Goodwill	-		-		
Total Goodwill (A)	-		-		
Other Intangible Assets					
Trademark	-		-		
Computer Software	-		-		
Non Compete Fees	-		-		
Total Other Intangible Assets (B)	-		-		
Total Intangible Assets (A)+(B)	-		-		
Gross Carrying Amount	Goodwill	Trademark	Computer Software	Non Compete Fees	TOTAL
Balance as at 1st April 2023	70,358	770,281	33,532	50,000	924,171
Additions	-	-	-	-	-
Disposals/ Adjustments	(70,358)	(770,281)	(33,532)	(50,000)	(924,171)
Balance as at 31st March 2024	-	-	-	-	-
Additions	-	-	-	-	-
Disposals/ Adjustments	-	-	-	-	-
Balance as at 31st March 2025	-	-	-	-	-
Accumulated Amortisation and Impairment losses	Goodwill	Trademark	Computer Software	Non Compete Fees	TOTAL
Balance as at 1st April 2023	70,358	770,281	33,531	50,000	924,170
Amortisation expense	-	-	-	-	-
Disposals/ Adjustments	(70,358)	(770,281)	(33,531)	(50,000)	(924,170)
Balance as at 31st March 2024	-	-	-	-	-
Amortisation expense	-	-	-	-	-
Disposals/ Adjustments	-	-	-	-	-
Balance as at 31st March 2025	-	-	-	-	-
Net Carrying Amount	Goodwill	Trademark	Computer Software	Non Compete Fees	TOTAL
Balance as at 31st March 2024	-	-	-	-	-
Balance as at 31st March 2025	-	-	-	-	-

During the previous year, the Company has written off trademarks and non-compete covenants which were fully amortized.

Pidilite USA, Inc.  
Notes forming part of the financial statements for the year ended 31st March 2025

6 Investments - Current

		(Amounts in US\$)	
		As at	As at
		31st March 2025	31st March 2024
<b>Current Investments</b>			
<b>A] Investment in Mutual Funds (at FVTPL) (Quoted)</b>			
U.S. Government Market Fund	(A)	1,022,260	1,062,257
Current Investments			-
<b>A] Investment in Promissory Note (at amortised cost) (Unquoted)</b>			
Convertible Promissory Note of Optmed Inc		725,797	725,797
Less: Impairment in value of Investments		(725,797)	(675,000)
	(B)	-	50,797
<b>Total (A+B)</b>		<b>1,022,260</b>	<b>1,113,054</b>
Aggregate carrying value of quoted investments		1,022,260	1,062,257
Aggregate market value of quoted investments		1,022,260	1,062,257
Aggregate carrying value of unquoted investments		-	50,797
Aggregate amount of Impairment in value of investments		725,797	675,000

7 Cash and Cash Equivalents

		As at	As at
		31st March 2025	31st March 2024
<b>Balance with banks</b>			
In Current Account		295,401	275,472
In Fixed Deposit Accounts with original maturity of 3 months or less		368,142	633,529
<b>Total</b>		<b>663,543</b>	<b>909,001</b>

8 Other Financial Assets-Current

		As at	As at
		31st March 2025	31st March 2024
<b>Other receivables</b>			
Unsecured, Considered good		68,877	25,372
<b>Total</b>		<b>68,877</b>	<b>25,372</b>

9 Share Capital

	As at 31st March 2025		As at 31st March 2024	
	Number of Shares	USD	Number of Shares	USD
<b>Authorised Capital :</b>				
Common Stocks of USD 1 each	27,000,000	27,000,000	27,000,000	27,000,000
<b>Issued, Subscribed and Paid up Capital :</b>				
Common Stocks of USD 1 each fully paid up	2,780,000	2,780,000	2,780,000	2,780,000

Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	31st March 2025		31st March 2024	
	Number of Shares	USD	Number of Shares	USD
Opening Balance	2,780,000	2,780,000	14,780,000	14,780,000
Add: Number of shares allotted as fully paid-up during the year	-	-	-	-
Less: Numbers of shares bought back during the year	-	-	(12,000,000)	(12,000,000)
Closing Balance	2,780,000	2,780,000	2,780,000	2,780,000

Terms/ Rights attached to equity shares

The Company has only one class of equity shares having a par value of USD 1 per share. Each holder of equity shares is entitled to one vote per share.  
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 the proportion of their shareholding.

Details of shareholders holding more than 5%/ Holding company/Promoter Holding:

Shares held by promoters at the end of the year	As at 31st March 2025		As at 31st March 2024	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Pidilite Industries Limited*	2,780,000	100%	2,780,000	100%

\*There is no change in % of promoter holding in the current year as well as previous year

10 Other Equity

		As at	As at
		31st March 2025	31st March 2024
<b>Retained Earnings</b>			
Opening Balance		(786,875)	(597,099)
Add: Profit/(Loss) for the year		(265,985)	(2,589,776)
Add: Gain on Buyback of shares		-	2,400,000
<b>Closing Balance</b>		<b>(1,052,860)</b>	<b>(786,875)</b>

Retained Earnings

Retained earnings are the profits that the Company has earned till date less any transfer to general reserve, dividends or other distributions paid to shareholders

Pidilite USA, Inc.  
Notes forming part of the financial statements for the year ended 31st March 2025

11 Trade Payables

	(Amounts in US\$)	
	As at	As at
	31st March 2025	31st March 2024
Total Outstanding dues to Micro Enterprises & Small Enterprises	-	-
Total Outstanding dues to creditors other than Micro Enterprises & Small Enterprises	27,540	36,908
	27,540	36,908

Trade Payables Ageing schedule  
Particulars

Particulars	Outstanding for following periods from due date of					Total
	Not Due	Less than 1 year	payment 1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
(ii) Others	18,314	-	-	-	-	18,314
	(13,667)	(-)	(-)	(-)	(-)	(13,667)
(iii) Disputed Dues - MSME	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
(iv) Disputed Dues -Others	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
Total	18,314	-	-	-	-	18,314
	(13,667)	(-)	(-)	(-)	(-)	(13,667)
Accrued Expenses						9,226
						(23,241)
Total						27,540
						(36,908)

Figures in brackets () represents previous year

12 Other Financial Liabilities - Current

	As at	As at
	31st March 2025	31st March 2024
Employee Related liabilities	-	14,757
	-	14,757

13 Other Current Liabilities

	As at	As at
	31st March 2025	31st March 2024
Statutory Remittances	-	2,637
	-	2,637

**Pidilite USA, Inc.****Notes forming part of the financial statements for the year ended 31 March 2025****(Amounts in US\$)****14 Other Income**

	<b>For the year ended 31st March 2025</b>	For the year ended 31st March 2024
Interest on Fixed Deposit	<b>14,697</b>	23,857
Dividend income	<b>49,546</b>	262,257
Other income	<b>11,098</b>	-
Liabilities no longer required written back	<b>9,344</b>	-
	<b>84,685</b>	286,114

**15 Employee Benefits expense**

	<b>For the year ended 31st March 2025</b>	For the year ended 31st March 2024
Salaries and Wages	<b>51,826</b>	-
Staff Welfare Expenses	<b>38,383</b>	-
	<b>90,209</b>	-

**16 Other Expenses**

	<b>For the year ended 31st March 2025</b>	For the year ended 31st March 2024
Legal, Professional and Consultancy fees	<b>166,652</b>	-
Impairment of investment	<b>50,797</b>	-
Computer and Software expenses	<b>8,088</b>	-
Payments to auditor	<b>3,000</b>	-
Rent (refer note 23)	<b>3,019</b>	-
Miscellaneous expenses	<b>28,905</b>	-
	<b>260,461</b>	-

**17 Discontinued Operations**

During the year ended 31st March 2023, the Company had decided to discontinue the operations of its Sargent Arts division in a phased manner over a period of one year. Accordingly during the year ended 31st March 2024 the operations of Sargent Arts division have been completely discontinued.

**Results of discontinued operation**

	<b>For the year ended 31st March 2025</b>	For the year ended 31st March 2024
Total Income	-	4,379,096
Total expenses	-	7,255,070
Loss before tax from discontinued operation	-	(2,875,974)
Income tax on discontinued operation	-	-
Loss after tax from discontinued operation	-	(2,875,974)

**Cash flows from discontinued operations**

	<b>For the year ended 31st March 2025</b>	For the year ended 31st March 2024
Cash flows generated/(used in) from operating activities	-	3,035,761
Cash flows generated/(used in) from investing activities	-	87,955
Cash flows generated/(used in) from financing activities	-	-
<b>Net Cash flows generated</b>	-	<b>3,123,716</b>

Pidilite USA, Inc.  
Notes forming part of the financial statements for the year ended 31 March 2025

Note 20 Financial Instruments

(Amounts in US\$)

a) Capital Management

The Company manages its capital to ensure that it is able to continue as going concerns while maximising the return to stakeholders through the optimum utilisation of the equity balance. The capital structure of the Company consists of only equity of the Company. The Company is not subject to any externally

b) Categories of financial instruments

	As at 31st March 2025	As at 31st March 2024
<b>Financial assets</b>		
<b>Measured at Fair Value Through Profit or Loss (FVTPL)</b>		
Investment in Mutual funds	1,022,260	1,062,257
<b>Measured at amortised cost</b>		
Investment	-	50,797
Cash and Cash Equivalents	663,543	909,001
Other Financial Assets	68,877	25,372
<b>Total Financial Assets</b>	<b>1,754,680</b>	<b>2,047,427</b>
<b>Financial liabilities</b>		
<b>Measured at amortised cost</b>		
Trade Payables	27,540	36,908
Other Financial Liabilities	-	14,757
<b>Total Financial Liabilities</b>	<b>27,540</b>	<b>51,665</b>

c) Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk, credit risk and liquidity risk. The Company does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes.

ii) Credit risk management

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as other balances with banks, investment in promissory notes. The Company deals with counterparties that have high credit rating. The

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market

iv). Foreign currency sensitivity analysis

The Company's activities does not expose it to the financial risk of changes in foreign currency exchange rates .

i) Liquidity risk management

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting its financial obligation as they fall due. The Company manages the liquidity risk by maintaining adequate funds in Cash and Cash Equivalents. The Company also has adequate credit facilities agreed with banks to ensure that there is

Liquidity risk tables

	Less than 1 year	1-5 years	More than 5 years	Total	Carrying Amount
<b>As at 31st March 2025</b>					
<b>Non-interest bearing</b>					
- Trade Payables	27,540	-	-	27,540	27,540
	27,540	-	-	27,540	27,540
<b>As at 31st March 2024</b>					
<b>Non-interest bearing</b>					
- Trade Payables	36,908	-	-	36,908	36,908
- Other Financial Liabilities	14,757	-	-	14,757	14,757
	51,665	-	-	51,665	51,665

**PIDILITE USA, Inc.****Notes forming part of the financial statements for the year ended 31st March 2025****Fair value measurements**

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

**(i) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis**

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets / financial liabilities	Fair value as at		Fair value heirarchy	Valuation technique(s) and key input(s)
	31st March 2025	31st March 2024		
Investment in Mutual Funds	Listed funds fair value of USD 10,22,259	Listed funds fair value of USD 10,62,257	Level 1	Quoted bid prices in active market

**(ii) Financial instruments measured at amortised cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**21 Related Party Disclosures**

**Related Party Disclosures as required by Ind-AS 24 'Related Party Disclosures' are given below:**

**(i) Relationships**

- |                                   |                     |
|-----------------------------------|---------------------|
| a. Pidilite Industries Limited    | (Holding Company)   |
| b. Pidilite International PTE Ltd | (Fellow Subsidiary) |

**(ii) Key Management Personnel (KMP):**

- |                  |                      |
|------------------|----------------------|
| a. Sanket Parekh | President & Director |
| b. Bharat Oza    | Director             |
| c. Janda Henkel  | Director             |
| d. Apurva Parekh | Director             |
| e. Ajay Parekh   | Director             |

**ii) Transactions with Related Parties are as follows:**

(Amounts in US\$)

Sr. No.	Particulars	Category	31st March 2025	31st March 2024
a	<b>Royalty Paid</b>			
	Pidilite International PTE Ltd	1	-	7,623
b	<b>Reimbursement of expenses made</b>			
	Pidilite Industries Limited	1	287,943	214,139

**iii) Amount outstanding:**

Sr. No.	Particulars	Category	31st March 2025	31st March 2024
a	<b>Other receivables</b>			
	Pidilite Industries Limited	1	68,876.60	25,372

PIDILITE USA, Inc.  
Notes forming part of the financial statements for the year ended 31st March 2025

22 Employee Benefits Plans

Defined Contribution 401(k) Plan

The Company and the Subsidiaries have a defined contribution plan for the benefit of its eligible employees pursuant to Section 401(k) of the Internal Revenue Code. The employer contribution charged to the Company's and the subsidiaries' operations amounts to the following for the years ended March 31 2025 is \$156.(March 31,2024: \$17,746)

23 Lease

The components of lease cost for operating lease for the year ended March 31, 2025, and March 31, 2024, are summarized below:

	(Amounts in US\$)	
	For the year ended 31st March 2025	For the year ended 31st March 2024
Operating lease cost*	3,019	-
Total	3,019	-

\*Operating lease expenses include short-term leases, variable lease costs, and leases that did not meet the capitalization requirement of the Company.

As per our report of even date attached

For B S R & Co. LLP  
Chartered Accountants  
Firm Registration No.- 101248W/W-100022

DEEPAK NAIR  
Digitally signed by DEEPAK NAIR  
Date: 2025.07.02 18:54:26 +05'30'

Deepak Nair  
Partner  
Membership Number: 139861

Place : Mumbai  
Date : 02nd July 2025

For and on behalf of Pidilite USA, Inc.

Signed by:  
  
8CCD3C75756949B...  
Sanket Parekh  
President

Place : Miami, Florida  
Date : 02nd July 2025