

# MAPSS AND COMPANY

CHARTERED ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

To the Members of HMA Agro Industries Limited

### **Opinion**

We have audited the accompanying standalone financial statements of HMA Agro Industries Limited (“the Company”), which comprise the balance sheet as at March 31, 2023, 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 ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (“SA”s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Standalone 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 (“ICAI”) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Key Audit Matters**

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

On the facts and circumstances of the company and the audit, we determine that there are no key audit matters to communicate.



### **Information other than the financial statements and auditors' report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the 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 of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act 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 the 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 standalone 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 Responsibilities for the Audit of the Standalone 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 standalone financial statements.

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



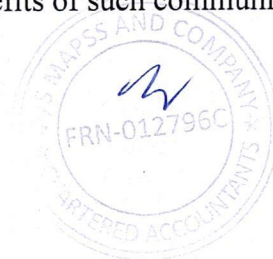
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not 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. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We 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 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.

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



## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act subject to the matters specified in key audit matters and other matters.
  - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
  - g) With respect to the matter to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:

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

- h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note no. 38 to the consolidated financial statements.
  - ii. The Company has not made any provision against the pending litigation as the company believes that these claims are not tenable and hence no provisioning made by the company.
  - iii. There were no amounts as on 31<sup>st</sup> March 2023, which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed



company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(g) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has availed the facility of packing credited from the financial institution and there is no default has been noticed in the payment of this facility.

(x) (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.

(b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(xi) (a) According to the information and explanations given by the management, no fraud by the company or any fraud on the company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.

(xii) The company is not a Nidhi Company. Therefore, clause xii is not applicable on the company.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

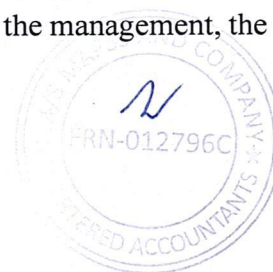
(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) In our Opinion and based on our examination, the Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934,

(c) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

(d) According to the information and explanations given by the management, the Group does not have any



funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 on behalf of the Ultimate Beneficiaries;

(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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; and

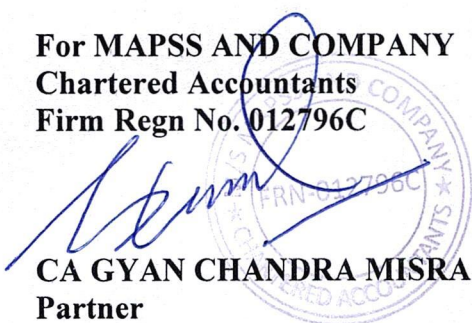
(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.

v. As stated in note 2.16 to the accompanying standalone financial statement, the Board of Directors of the company has recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the company. As per corporate laws in India , a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity. Company has declared and paid dividend during the period under review.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

2. As required by the Companies (Auditor’s Report) Order, 2020 (the “Order”) issued by the Central Government in terms of Section 143(11) of the Act, we have given “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For MAPSS AND COMPANY**  
**Chartered Accountants**  
**Firm Regn No. 012796C**



**CA GYAN CHANDRA MISRA**  
**Partner**

**Membership No. 078183**  
**UDIN: 23078183BGVUVI5522**  
**Date : 31-07-2023**  
**Place: Ghaziabad**

## **Annexure 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HMA Agro Industries Limited of even date)**

**Report on the Internal Financial Controls with reference to Standalone Financials Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls with reference to standalone financial statements of HMA Agro Industries Limited (the "Company") as of March 31, 2023 in conjunction with our 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 with reference to standalone financial statements 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 (the "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 Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements .

### **Meaning of Internal Financial Controls with reference to standalone financial statements**



A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to Standalone Financial Statements**

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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements 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 ICAI.

**For MAPSS AND COMPANY**  
**Chartered Accountants**  
**Firm Regn No. 012796C**

  
**CA GYAN CHANDRA MISRA**  
**Partner**

**Membership No. 078183**

**UDIN: 23078183BGVUVI5522**

**Date : 31-07-2023**

**Place : Ghaziabad**



## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of HMA Agro Industries Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that: We report that:

(i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;

(B) No Intangible assets during the period under review;

(b) As explained to us, the Company has a regular programme of physical verification of its property, plant and equipment by which all Property, plant and equipment are verified in a phased manner over a period of three years. In accordance with the programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the company except the following:-

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in name of company
NIL					

(d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) As explained to us, 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.

(ii) (a) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancy of 10% or more in the aggregate for each class of inventory were noticed on physical verification of stocks by the management as compared to book records.

(b) The company has not been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate,



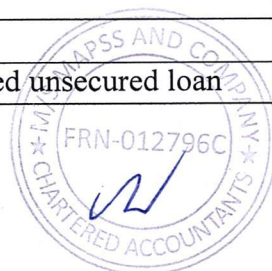
at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable. Although company is using purchase credit facility of 365 crores.

**Amount in Crores**

<b>Stock Statement Details</b>									
<b>Month</b>	<b>As Per Books</b>				<b>Stock Statement Submitted In Bank</b>				<b>Diff (A-B)</b>
	<b>Debtors</b>	<b>Creditors</b>	<b>Inventory</b>	<b>Total (A)</b>	<b>Debtors</b>	<b>Creditors</b>	<b>Inventory</b>	<b>Total (B)</b>	
April	286.03	29.76	72.24	388.03	286.01	29.76	72.16	387.93	0.10
May	266.06	29.08	76.01	371.15	266.04	29.08	75.98	371.10	0.05
June	301.09	38.61	60.49	400.19	301.09	38.61	60.45	400.15	0.04
July	299.52	31.16	69.61	400.29	299.52	31.16	69.58	400.26	0.03
August	264.58	29.22	69.69	363.49	264.58	29.22	69.63	363.43	0.06
September	245.85	25.79	58.66	330.30	245.85	25.79	58.64	330.28	0.02
October	294.27	45.46	124.63	464.36	294.23	45.46	124.60	464.29	0.07
November	264.51	49.77	87.84	402.12	264.51	49.77	87.72	402.00	0.12
December	258.41	50.03	70.61	379.05	258.41	50.03	70.55	378.99	0.06
January	241.83	51.28	70.38	363.49	241.79	51.28	70.12	363.19	0.30
February	288.61	51.50	84.56	424.67	288.61	51.50	84.36	424.47	0.20
March	299.52	12.94	109.51	421.97	299.52	12.94	109.42	421.88	0.09

(iii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties other than the details mentioned below.

<b>S.No.</b>	<b>Company</b>	<b>Nature</b>	<b>As on 31<sup>st</sup> March, 2023 Amount (in crores)</b>
<b>Guarantee Given</b>			
1	United Farm Products Pvt Ltd (subsidiary of HMA Agro Industries Pvt Ltd)	Provided guarantee on behalf of its subsidiary company	65
<b>Loan provided</b>			
2	United Farm Products Pvt Ltd	Provided unsecured loan	231.59



	(subsidiary of HMA Agro Industries Pvt Ltd)		
3	FNS Agro Foods Limited (subsidiary of HMA Agro Industries Pvt Ltd)	Provided unsecured loan	0.10
5	Indus Farmers Food Co. LLP	Provided unsecured loan	1.41
<b>Advances to related Party</b>			
6	Laal Agro Food Private Limited	In the nature of Advances	7.62
7	JFF Export Private Limited	In the nature of Advances	40.95
8	HMA Natural Foods Private Limited	In the nature of Advances	.055
9	HMA Food Export Private Limited	In the nature of Advances	13.60
10	Reliable agro foods	In the nature of Advances	0.96

(b) According to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest;

(c) There is no stipulation of schedule of repayment of principal and payment of interest and therefore we are unable to comment on the regularity of repayment of principal & payment of interest.

(d) Since the term of arrangement do not stipulate any repayment schedule we are unable to comment whether the amount is overdue or not.

(e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties except following:

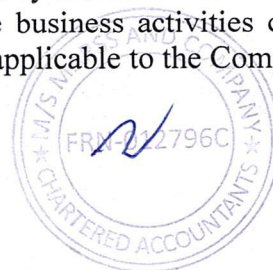
Name of Party	Amount renewed or extended	% of total loan	Remark, if any
	Nil		

(f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except non-charging of interest on the loan.

(v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.

(vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.



(vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except following: (if applicable) :

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where Dispute is Pending	Remarks, if Any
			Nil		

(viii) According to the information and explanations given by the management, no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year, except the facility of packing credit availed from the financial institutions and there is no default has been noticed in the payment of this facility.

(b) According to the information and explanations given by the management, the company is not declared willful defaulter by any bank or financial institution or other lender;

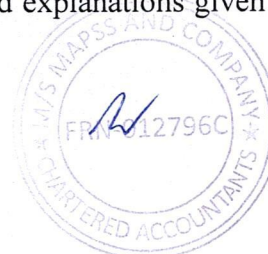
(c) In our opinion and according to the information and explanations given by the management, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained, except for:

Nature of the fund raised	Name of the lender	Amount diverted (Rs.)	Purpose for which amount was sanctioned	Purpose for which amount was utilized	Remarks
			Nil		

(d) In our opinion and according to the information and explanations given by the management, funds raised on short term basis have not been utilized for long term purposes.

(e) In our opinion and according to the information and explanations given by the management, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures,

(f) In our opinion and according to the information and explanations given by the management, the



CIC as part of the Group.

(xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

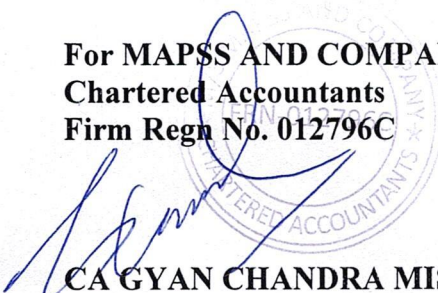
(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) There have been no qualifications or adverse remarks in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, clause 3(xxi) of the Order is not applicable.

**For MAPSS AND COMPANY**  
**Chartered Accountants**  
**Firm Regn No. 012796C**

  
**CA GYAN CHANDRA MISRA**  
**Partner**  
**Membership No. 078183**  
**Date: 23078183BGVUVI5522**  
**Place: Ghaziabad**

# HMA Agro Industries Limited

Balance Sheet as at March 31, 2023

(in Rupees Million)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>(A) Non-current assets</b>			
(a) Property, plant and equipment	(3)	350.19	347.21
(b) Capital work in progress	(4)	4.18	4.18
(c) Financial assets			
(i) Investments	(5)	728.80	728.80
(ii) Loans	(8)	1,533.57	444.50
(iii) Other financial assets	(11)	264.75	277.95
(d) Income tax assets		77.44	46.11
(e) Deferred tax assets (net)	(12)	70.70	11.80
<b>Total non-current assets</b>		<b>3,029.63</b>	<b>1,860.55</b>
<b>(B) Current assets</b>			
(a) Inventories	(6)	1,127.20	1,318.21
(b) Financial assets			
(i) Trade receivables	(7)	2,992.07	2,881.87
(ii) Cash and cash equivalents	(9)	651.13	164.97
(iii) Bank balances other than (ii) above	(10)	18.51	225.26
(iv) Other financial assets	(11)	15.68	44.85
(c) Other assets	(13)	1,192.42	943.32
<b>Total current assets</b>		<b>5,997.01</b>	<b>5,578.48</b>
<b>Total assets</b>		<b>9,026.64</b>	<b>7,439.03</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(A) Equity</b>			
(a) Share capital	(14)	475.13	475.13
(b) Other equity	(15)	4,369.26	3,202.10
<b>Total equity</b>		<b>4,844.39</b>	<b>3,677.23</b>
<b>(B) Liabilities</b>			
<b>(I) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	(18)	8.43	4.70
(b) Provisions	(20)	15.89	7.86
<b>Total non-current liabilities</b>		<b>24.32</b>	<b>12.56</b>
<b>(II) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	(16)	2,856.36	2,651.65
(ii) Trade payables	(17)		
- Total outstanding dues of micro enterprise and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		673.24	650.57
(iii) Other financial liabilities	(18)	201.79	23.20
(b) Other liabilities	(19)	349.26	423.02
(c) Provisions	(20)	1.87	0.80
(d) Current tax liabilities		75.41	-
<b>Total current liabilities</b>		<b>4,157.93</b>	<b>3,749.24</b>
<b>Total Equity and Liabilities</b>		<b>9,026.64</b>	<b>7,439.03</b>

## Significant accounting policies

The accompanying notes from 1 to 46 form an integral part of the financial statements

As per our report of even date attached.

## FOR MAPSS AND COMPANY

Chartered Accountants

Firm's Registration Number: 012796C

CA Gyan Chandra Misra

Partner

Membership Number: 078183

Place : Ghaziabad

Date : July 31, 2023



1 - 2

For and on behalf of the Board of Directors of  
**HMA Agro Industries Limited**

CIN : U74110UP2008PLC034977

**Gulzar Ahmed**  
Whole Time Director  
DIN : 01312305  
Place : Agra  
Date : July 31, 2023

**Wajid Ahmed**  
Managing Director  
DIN : 01312261  
Place : Agra  
Date : July 31, 2023

**Nikhil Sundrani**  
Company Secretary  
Membership number : 53307  
Place : Agra  
Date : July 31, 2023

**Gulzeb Ahmed**  
Chief financial officer  
DIN : 06546660  
Place : Agra  
Date : July 31, 2023

# HMA Agro Industries Limited

Statement of Profit and Loss for period ended March 31, 2023

(in Rupees Million)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
<b>(1) Income</b>			
(a) Revenue from operations	(21)	31,255.53	29,219.88
(b) Other income	(22)	460.76	553.90
<b>Total Income</b>		<b>31,716.29</b>	<b>29,773.78</b>
<b>(2) Expenses</b>			
(a) Cost of raw materials consumed	(23)	25,119.32	23,548.55
(b) Changes in inventories	(24)	191.01	(49.74)
(c) Employee benefits expense	(25)	218.79	730.02
(d) Finance costs	(26)	101.73	64.85
(e) Depreciation expense	(27)	43.75	43.54
(f) Other expenses	(28)	4,204.63	3,942.02
<b>Total Expenses</b>		<b>29,879.23</b>	<b>28,279.24</b>
<b>(3) Profit before tax (1-2)</b>		<b>1,837.06</b>	<b>1,494.54</b>
<b>(4) Tax expense</b>	(36)		
(a) Current tax		485.41	382.10
(b) Tax expense relating to prior years		-	10.15
(c) Deferred tax charge / (credit)		(21.56)	(1.73)
<b>Total tax expense</b>		<b>463.85</b>	<b>390.52</b>
<b>(5) Profit for the year</b>		<b>1,373.21</b>	<b>1,104.02</b>
<b>(6) Other comprehensive income</b>			
(1) Items that will be reclassified to Profit / (Loss)			
(a) Net change in value of derivatives designated as cash flow hedges		(140.10)	-
(b) Deferred tax impact on above		35.26	-
(2) Items that will not be reclassified subsequently to Profit			
(a) Remeasurement of defined employee benefit plans*		(8.26)	0.83
(b) Deferred tax impact on above		2.08	(0.21)
<b>Total other comprehensive income/(loss)</b>		<b>(111.02)</b>	<b>0.62</b>
<b>(7) Total comprehensive income for the year</b>		<b>1,262.19</b>	<b>1,104.64</b>
<b>Earnings per share (EPS) (Rupees per share)</b>	(35)		
(1) Basic EPS		28.90	23.24
(2) Diluted EPS		28.90	23.24

## Significant accounting policies

1 - 2

The accompanying notes from 1 to 46 form an integral part of the financial statements

As per our report of even date attached.

### FOR MAPSS AND COMPANY

Chartered Accountants

Firm's Registration Number: 012796C

CA Gyan Chandra Misra

Partner

Membership Number: 078183

Place : Ghaziabad

Date : July 31, 2023

For and on behalf of the Board of Directors of  
HMA Agro Industries Limited

CIN : U74110UP2008PLC034977

Gulzar Ahmed

Whole Time Director

DIN : 01312305

Place : Agra

Date : July 31, 2023

Nikhil Sundrani

Company Secretary

Membership number : 53307

Place : Agra

Date : July 31, 2023

Wajid Ahmed

Managing Director

DIN : 01312261

Place : Agra

Date : July 31, 2023

Gulzeb Ahmed

Chief financial officer

DIN : 06546660

Place : Agra

Date : July 31, 2023

**HMA Agro Industries Limited**  
Statement of cash flows for the year ended March 31, 2023

(In Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(A) Cashflows from operating activities</b>		
Profit before tax	1,837.06	1,494.54
<b>Adjustment for:</b>		
Depreciation expense	43.75	43.54
Unrealised fair value (gain)/loss on forward contracts (net)	91.04	(29.14)
Interest expense	100.77	63.45
Gratuity expenses	(7.42)	2.17
Interest on bank deposits	(62.20)	(15.61)
Guarantee commission income	(0.79)	0.05
Liabilities no longer required written back	-	(18.03)
Foreign exchange gain, net	(24.29)	(441.90)
Profit on sale of assets (net)	(0.51)	(0.05)
<b>Operating cash flow before working capital changes</b>	<b>1,977.41</b>	<b>1,099.02</b>
<b>Adjustment for changes in working capital:</b>		
Decrease/(Increase) in inventories	191.02	(49.81)
(Increase) in trade receivables	(85.92)	(754.19)
(Increase)/Decrease in other financial assets	13.22	(164.73)
(Increase) in other assets	(249.10)	(7.24)
Increase in trade payables	22.66	1.53
(Decrease) in other financial liabilities	(18.88)	(45.35)
Increase/(Decrease) in other provision	8.29	(6.17)
(Decrease) in other current liabilities	(73.76)	(122.62)
<b>Cash generated from operations</b>	<b>1,784.95</b>	<b>(49.56)</b>
Taxes paid (net of refunds)	(441.34)	(432.28)
<b>Net cashflows from operating activities</b>	<b>1,343.61</b>	<b>(481.84)</b>
<b>(B) Cashflows from investing activities</b>		
Purchase of property, plant and equipment and intangible assets	(46.73)	(11.81)
Profit on sale of assets	0.51	0.05
Movement in bank deposits with maturity greater than 3 months (net)	206.75	(225.26)
Investment in subsidiary	(0.00)	(203.96)
Interest received on fixed deposit	62.20	15.61
Loan given to subsidiaries	(1,089.08)	(338.56)
<b>Net cashflows from investing activities</b>	<b>(866.36)</b>	<b>(763.93)</b>
<b>(C) Cashflows from financing activities</b>		
Borrowings taken, net	204.71	962.04
Interest paid	(100.77)	(59.95)
Dividend paid	(95.03)	-
<b>Net cashflows from financing activities</b>	<b>8.91</b>	<b>902.09</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>486.16</b>	<b>(343.68)</b>
Cash and cash equivalents at the beginning of the year	164.97	508.65
<b>Cash and cash equivalents at the end of the year</b>	<b>651.13</b>	<b>164.97</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash in hand	11.96	21.59
Balance with banks:		
In current accounts	631.08	129.83
Cheques in hand	8.09	13.55
In fixed deposit account with original maturity of 3 months or less	-	-
<b>Total cash and cash equivalents</b>	<b>651.13</b>	<b>164.97</b>

**Notes :**

The cashflow statement has been prepared under the indirect method as set out in Indian Accounting standard (Ind AS 7) Statement of cash flows' as specified under section 133 of the Companies Act, 2013.

As per our report of even date attached.

**FOR MAPSS AND COMPANY**  
Chartered Accountants  
Firm's Registration Number: 012796C

**CA Gyan Chandra Misra**  
Partner  
Membership Number: 078183  
Place : Ghaziabad  
Date : July 31, 2023

For and on behalf of the Board of Directors of  
**HMA Agro Industries Limited**

CIN : U74110UP2008PLC034977

**Gulzar Ahmed**  
Chairman  
DIN : 01312305  
Place : Agra  
Date : July 31, 2023

**Wajid Ahmed**  
Managing Director  
DIN : 01312261  
Place : Agra  
Date : July 31, 2023

**Nikhil Sundrani**  
Company Secretary  
Membership number : 53307  
Place : Agra  
Date : July 31, 2023

**Gulzeb Ahmed**  
Chief financial officer  
DIN : 06546660  
Place : Agra  
Date : July 31, 2023



## HMA Agro Industries Limited

Statement of changes in equity for the year ended March 31, 2023

### (A) Equity share capital

(in Rupees Million)		
Particulars	Note	Amount
Balance as at April 01, 2021		37.27
Changes in equity share capital during the year		437.86
<b>Balance as at March 31, 2022</b>		<b>475.13</b>
Changes in equity share capital during the period		-
<b>Balance as at March 31, 2023</b>		<b>475.13</b>

### (B) Other equity

Particulars	Reserve and Surplus					Effective portion of Cash flow hedge	Total equity
	General Reserve	Capital Reserve	Securities Premium	Retained earnings	Remeasurement of defined employee benefit plans		
Balance as at April 01, 2021	600.00	5.00	34.20	1,895.68	0.45	-	2,535.33
Issue of bonus shares (Refer note 14(h))	(403.67)	-	(34.20)	-	-	-	(437.87)
Profit for the year	-	-	-	1,104.02	0.62	-	1,104.64
<b>Balance as at March 31, 2022</b>	<b>196.33</b>	<b>5.00</b>	<b>-</b>	<b>2,999.70</b>	<b>1.07</b>	<b>-</b>	<b>3,202.10</b>
Profit/(loss) for the current period	-	-	-	1,373.21	(6.18)	(104.84)	1,262.19
Dividend paid	-	-	-	(95.03)	-	-	(95.03)
<b>Balance as at March 31, 2023</b>	<b>196.33</b>	<b>5.00</b>	<b>-</b>	<b>4,277.88</b>	<b>(5.11)</b>	<b>(104.84)</b>	<b>4,369.26</b>

#### Nature and purpose of reserves

(a) **Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be used only in accordance with provisions of Companies Act, 2013 for specified purposes.

(b) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date net of appropriations. It is available for distribution to shareholders.

(c) **Capital Reserves :** Any short fall of consideration paid over net assets acquired is treated as capital reserve under equity.

(d) **General Reserves :** Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013

The accompanying notes from 1 to 46 form an integral part of the financial statements

As per our report of even date attached.

**FOR MAPSS AND COMPANY**  
Chartered Accountants  
Firm's Registration Number: 012796C

**CA Gyan Chandra Misra**  
Partner  
Membership Number: 078183  
Place : Ghaziabad  
Date : July 31, 2023

For and on behalf of the Board of Directors of  
**HMA Agro Industries Limited**  
CIN : U74110UP2008PLC034977

**Gulzar Ahmed**  
Chairman  
DIN : 01312305  
Place : Agra  
Date : July 31, 2023

**Wajid Ahmed**  
Managing Director  
DIN : 01312261  
Place : Agra  
Date : July 31, 2023

**Gulzeb Ahmed**  
Chief Financial Officer  
DIN : 0654660  
Place : Agra  
Date : July 31, 2023

**Nikhil Sundrani**  
Company Secretary  
Membership number : 53307  
Place : Agra  
Date : July 31, 2023

**HMA Agro Industries Limited**  
**Notes to the financial statements as at March 31, 2023**

**1 Corporate information**

HMA Agro Industries Limited ("the Company") is domiciled and incorporated in India and it is an unlisted Company. The registered office of the Company is situated at 2/220, 2nd Floor, Glory Plaza, Opp Soor Sadan, M G Road, Agra-282002. The Company is engaged in the business of Manufacturing and exporting of Buffalo Frozen Meat and Meat Products operating in State of Uttar Pradesh, Punjab, Haryana, Rajasthan, Bihar and Maharashtra. The financial statements of the company for the year ended March 31, 2023 were approved and authorized for issue by board of directors in their meeting held on July 31, 2023.

**Significant accounting policies**

**2 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments). The financial statements are presented in Indian Rupees "INR" which is also the Company's functional currency and all values are rounded to the nearest million (Rupees Million) upto two decimal, except when otherwise indicated.

**2.01 Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and duties, directly attributable costs of bringing the asset to its present location and condition.

Subsequent costs are included in the asset's carrying amount or Recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted in the line with revisions to accounting estimates.

**Depreciation**

Depreciation on property, plant and equipment is provided on straight line method, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

Depreciation commences when the assets are ready for their intended use. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing net disposal proceeds with carrying amount. These are included in the statement of profit and loss.

The estimated useful lives are as follows :

Assets	Useful life (years)
Office equipment	10
Plant and Machinery	15
Building	30
Vehicles	8
Land	-

**2.02 Impairment of property, plant and equipment and intangible assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company ' each class of the property, plant and equipment or intangible assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

**2.03 Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/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.

*East Ahmed*

*Julia*



*[Handwritten signature]*

**HMA Agro Industries Limited**  
**Notes to the financial statements as at March 31, 2023**

**2.03 Current versus non-current classification (Continued)**

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.

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

**2.04 Fair value measurement**

The Company measures financial instruments at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities .
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amount approximates fair value to due to short term maturity of these instruments.

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Quantitative disclosures of fair value measurement hierarchy (Note 31)
- ▶ Financial instruments (including those carried at amortised cost) (Note 31)

**2.05 Revenue from contract with customers**

Revenue is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for transferring services to a customer. The Company identifies the performance obligations in its contracts with customers and recognises revenue as and when the performance obligations are satisfied.

Revenue from inter-company arrangement is recognised based on transaction price which is at arm's length based on transfer pricing arrangement.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

**Sale of products :**

Revenue from sale of products is recognised when the control and ownership of the goods have been passed to the buyer, on delivery of the goods to the ultimate consumer.

**2.06 Other income**

**Interest income:**

Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Profit/ (Loss) on derivatives:**

Profit/ (Loss) on derivatives contracts on account of fair value changes are recognised as either income or expenses as the case may be through Profit and loss.

*Cast*

*H. Hussain*

*Jalal*



*[Handwritten mark]*

**HMA Agro Industries Limited**  
**Notes to the financial statements as at March 31, 2023**

**2.06 Other income (Continued)**

**Duty drawback :**

Duty drawback income is recognised when right to receive such benefits is established. Further, in cases where there is uncertainty of such benefits, revenue is recognised when benefits are received.

**2.07 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- ▶ Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.
  - ▶ Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in OCI, in respect of the purchases of raw materials.

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

**2.08 Taxes**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. 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.

Current tax assets and current tax liabilities are offset when there is a 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.

**Deferred Tax**

Deferred tax is recognised using balance sheet approach at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date 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 deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply in a year when asset is realised or the liability is expected to be settled based on the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax where the deferred tax assets and deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

**2.09 Current and deferred tax for the year**

Current and deferred tax are recognised in the statement of profit or 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.

**2.10 Foreign Currency translation**

**Functional and Presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Financial statements are presented in Indian rupee (INR), which is functional and presentation currency of the Company.

**Transaction and balances**

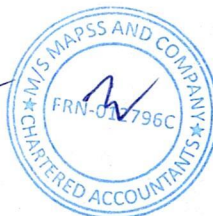
Transactions in foreign currencies are initially recognised in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing at the reporting date and foreign exchange gain or loss are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

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**HMA Agro Industries Limited**  
**Notes to the financial statements as at March 31, 2023**

**2.11 Provisions and Contingent Liabilities**

**Provisions:**

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent Liabilities:**

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 or a reliable estimate of the amount cannot be made. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

**2.12 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**a. Non Derivative Financial Assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of financial asset. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.05 for Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- ▶ Financial assets at amortised cost
- ▶ Financial assets at fair value through profit or loss
- ▶ Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses
- ▶ Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition

A 'financial asset' is measured at amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes loans and other financial assets.

A 'financial asset' is measured at FVOCI if both the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes investments in mutual funds. Dividends on such investments are recognised in the statement of profit and loss when the right of payment has been established.



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**HMA Agro Industries Limited**  
**Notes to the financial statements as at March 31, 2023**

**2.11 Financial Instruments (Continued)**

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from a Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired, if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**b. Non Derivative Financial Liabilities**

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Derecognition

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised 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 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.

**c. Derivative financial instruments**

Instruments in hedging relationship

The Company designates certain foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges, net of taxes based on the forecasted highly probable transactions.

The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

The hedge instruments are designated and documented as hedges at the inception of the contract. The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction. If the hedged forecasted transaction are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified in net foreign exchange gains in the statement of profit and loss. The effective portion of change in the fair value of the designated hedging instrument is recognised in the other comprehensive income and accumulated under the heading cash flow hedging reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in the statement of profit and loss when the forecasted transaction ultimately affects profit and loss.

Instruments not in hedging relationship

The Company enters into contracts that are effective as hedges from an economic perspective, but they do not qualify for hedge accounting. The change in the fair value of such instrument is recognised in the statement of profit and loss.

**2.13 Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise of cash balances at banks, on hand cash balances and demand deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

In the cash flow statement, cash and cash equivalents includes cash in hand, cash at bank, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

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**HMA Agro Industries Limited**  
**Notes to the financial statements as at March 31, 2023**

**2.14 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources. Earnings considered in ascertaining the Company's earnings per share is the net profit for the year after deducting any attributable tax thereto for the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**2.15 Segment Reporting**

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. Inter segment sales and transfers are reflected at market prices. Unallocable items includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the standalone financial statements of the Company as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

**2.16 Dividend**

The Company recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

**2.17 Significant accounting estimates, judgements and assumptions**

The preparation of the Company's Standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the Standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

In the process of applying the Company's accounting policies, management has made the following judgements which have significant effect on the amounts Recognized in the Standalone financial statements:

**a. Useful lives of property, plant and equipment and intangible assets:** Determination of the estimated useful life of tangible assets and intangible assets and the assessment as to which components of the cost may be Capitalized. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when company assesses, whether as asset may be Capitalized and which components of the cost of the assets may be capitalized.

**b. Contingencies:** Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/ litigation against company as it is not possible to predict the outcome of pending matters with accuracy.

**c. Fair value measurements and valuation processes** : Some of the Companies assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Company used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements such as Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**d. Estimation of defined benefit plans** :The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligation.

**e. Tax expense** :Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

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**HMA Agro Industries Limited**  
**Notes to the financial statements as at March 31, 2023**

**2.18 Recent accounting pronouncements**

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, as below:

**Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

**Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (3) Property, plant and equipment

(in Rupees Million)

Particulars	Land (Freehold)	Building	Vehicles	Plant and Machinery	Office Equipment	Total
<b>Gross carrying amount</b>						
As at April 01, 2022	120.53	91.00	50.54	196.98	19.43	478.48
Additions	-	-	40.27	4.45	5.56	50.28
Disposals	-	-	(4.06)	-	-	(4.06)
<b>As at March 31, 2023</b>	<b>120.53</b>	<b>91.00</b>	<b>86.75</b>	<b>201.43</b>	<b>24.99</b>	<b>524.70</b>
<b>Accumulated depreciation</b>						
As at April 01, 2022	-	14.96	32.44	77.67	6.20	131.27
Charge for the year	-	4.38	9.30	24.98	5.09	43.75
On disposals	-	-	(0.51)	-	-	(0.51)
<b>As at March 31, 2023</b>	<b>-</b>	<b>19.34</b>	<b>41.23</b>	<b>102.65</b>	<b>11.29</b>	<b>174.51</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>120.53</b>	<b>71.66</b>	<b>45.52</b>	<b>98.78</b>	<b>13.70</b>	<b>350.19</b>
<b>Gross carrying amount</b>						
As at April 01, 2021	120.27	93.10	44.68	198.92	11.70	468.67
Additions	0.26	-	5.86	2.32	7.73	16.17
Disposals	-	(2.10)	-	(4.26)	-	(6.36)
<b>As at March 31, 2022</b>	<b>120.53</b>	<b>91.00</b>	<b>50.54</b>	<b>196.98</b>	<b>19.43</b>	<b>478.48</b>
<b>Accumulated depreciation</b>						
As at April 01, 2021	-	10.26	25.53	52.18	1.82	89.79
Charge for the year	-	4.70	6.91	27.55	4.38	43.54
On disposals	-	-	-	(2.06)	-	(2.06)
<b>As at March 31, 2022</b>	<b>-</b>	<b>14.96</b>	<b>32.44</b>	<b>77.67</b>	<b>6.20</b>	<b>131.27</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>120.53</b>	<b>76.04</b>	<b>18.10</b>	<b>119.31</b>	<b>13.23</b>	<b>347.21</b>

Note : The Company holds immovable properties in its own name.

## (4) Capital work in progress

Particulars	Total
<b>As at April 01, 2021</b>	<b>4.18</b>
Incurred during the year	-
Capitated	-
<b>As at March 31, 2022</b>	<b>4.18</b>
Incurred during the year	-
Capitated	-
<b>As at March 31, 2023</b>	<b>4.18</b>

\*Amount included under CWIP are primarily related to Plant and Machinery which is under construction

	Amount in CWIP				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
March 31, 2023	-	4.18	-	-	4.18
March 31, 2022	-	-	4.18	-	4.18

Note : There is no overrun of cost or delay in projects in process as per the Company's plan.



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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

(in Rupees Million)

## (5) Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments (Non-current)</b>		
<b>Investments in equity instruments in subsidiary (at cost)</b>		
<b>A. Unquoted equity shares</b>		
Swastik Bones & Gelatines Private Limited March 31, 2023 - 100,000 equity shares of Rs 100 fully paid up ( March 31, 2022 - 100,000 equity shares of Rs 100 fully paid up)	13.50	13.50
FNS Agro Foods Limited March 31, 2023-895,600 equity shares of Rs 10 fully paid up (March 31, 2022-895,600 equity shares of Rs 10 fully paid up)	3.39	3.39
HMA Natural Foods Private Limited March 31, 2023 - 2,250,000 equity shares of Rs 10 fully paid up (March 31, 2022 - 2,250,000 equity shares of Rs 10 fully paid up)	22.50	22.50
HMA Food Export Private Limited March 31, 2023 - 1,686,600 equity shares of Rs 10 fully paid up (March 31, 2022 - 1,686,600 equity shares of Rs 10 fully paid up)	86.02	86.02
United Farm Products Private Limited March 31, 2023 - 15,815,000 equity shares of Rs 10 fully paid up (March 31, 2022 - 15,815,000 equity shares of Rs 10 fully paid up )	158.15	158.15
Laal Agro Foods Private Limited March 31, 2023 - 9,999 equity shares of Rs 10 fully paid up (March 31, 2022 - 9,999 equity shares of Rs 10 fully paid up)	0.10	0.10
JFF Exports Private Limited March 31, 2023 - 10,000 equity shares of Rs 10 fully paid up (March 31, 2022 - 10,000 equity shares of Rs 10 fully paid up)	0.10	0.10
Federal Agro Industries Limited March 31, 2023 :584,400 equity shares of Rs 10 fully paid up ( March 31, 2022 : 584,400 March 31, 2021 - Nil)	224.41	224.41
<b>B. Investment in partnership entity (at amortised cost)</b>		
International Agro Food Exports	29.83	29.83
Reliable Agro Foods	154.31	154.31
<b>C. Other investments</b>		
Indus Farmers Food Co. LLP	30.24	30.24
<b>D. Deemed investments</b>		
United Farm Products Private Limited (accounted against corporate guarantee given)	6.25	6.25
<b>Total (Non-current)</b>	<b>728.80</b>	<b>728.80</b>
<b>Aggregate carrying value of unquoted investments</b>	<b>728.80</b>	<b>728.80</b>

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

(in Rupees Million)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(6) Inventories</b> (Valued at lower of cost and net realisable value)		
Packing Materials	33.79	44.88
Finished Goods	1,083.49	1,235.49
Stores & Spares and Other Materials	9.92	37.84
<b>Total Inventories</b>	<b>1,127.20</b>	<b>1,318.21</b>
<b>(7) Trade receivables</b>		
Unsecured, considered good		
- Third Party	2,938.16	2,881.87
- Related parties (Refer note 30)	53.91	-
<b>Total trade receivables</b>	<b>2,992.07</b>	<b>2,881.87</b>

## Ageing of Trade receivable

March 31, 2023

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade receivables</b>							
(i) Undisputed Trade receivables – considered good	2,991.26	-	-	0.81	-	-	2,992.07
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,991.26</b>	-	-	<b>0.81</b>	-	-	<b>2,992.07</b>

March 31, 2022

Particulars	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade receivables</b>							
(i) Undisputed Trade receivables – considered good	2,862.75	-	8.19	0.59	-	10.34	2,881.87
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,862.75</b>	-	<b>8.19</b>	<b>0.59</b>	-	<b>10.34</b>	<b>2,881.87</b>

## (8) Loans

### Non-current loans

#### Unsecured, considered good

Loan to related party (Refer note 30)\*

#### Total Non current Loan

\*Loan to related parties are given at zero interest rate.

	1,533.57	444.50
<b>Total</b>	<b>1,533.57</b>	<b>444.50</b>

## (9) Cash and cash equivalents

Cash in hand

11.96 21.59

#### Balance with banks

In current accounts

631.08 129.83

Cheques in hand

8.09 13.55

#### Total cash and cash equivalents

**651.13 164.97**

## (10) Other bank balances

### Current

Bank Deposit with maturity less than twelve months\*

18.51 225.26

#### Total current other bank balances

**18.51 225.26**

\*Above deposits are provided as lien against borrowings taken from financial institutions.

## (11) Other financial assets

### Non-current financial assets

Capital advances\*

30.05 30.75

Security deposits

6.30 6.23

Bank Deposit provided as lien against borrowings\*\*

228.40 240.97

#### Total non-current financial assets

**264.75 277.95**

\*Pertains to advances given for purchase of immovable properties.

\*\*The Company has taken working capital demand loan against Fixed deposits as at March 31, 2023 : 228.40 million (March 31, 2022 : Rs 240.97 million).

### Current financial assets

Derivative asset - forward contract

- 29.14

Security deposits

15.68 15.71

#### Total current financial assets

**15.68 44.85**

## (12) Deferred tax assets (net)

### Significant components of deferred tax assets (net)

#### Deferred tax assets / (liabilities)

Difference between book and tax value of property, plant and equipment and intangible assets

15.59 17.15

Gratuity

4.47 2.18

Derivatives

50.83 (7.34)

Others

(0.19) (0.19)

#### Total Deferred tax assets

**70.70 11.80**

### Movements in deferred tax assets/(liabilities)

Particulars	Property, plant & equipment	Derivative liabilities	Gratuity	Others	Total
At April 01, 2021	10.28	-	-	-	10.28
(Charged) / Credited					
- to profit or loss	6.87	(7.34)	2.39	(0.19)	1.73
- to other comprehensive income	-	-	(0.21)	-	(0.21)
<b>At March 31, 2022</b>	<b>17.15</b>	<b>(7.34)</b>	<b>2.18</b>	<b>(0.19)</b>	<b>11.80</b>
(Charged) / Credited					
- to profit or loss	(1.56)	22.91	0.21	(0.00)	21.56
- to other comprehensive income	-	35.26	2.08	-	37.34
<b>At March 31, 2023</b>	<b>15.59</b>	<b>50.83</b>	<b>4.47</b>	<b>(0.19)</b>	<b>70.70</b>

*Cap S*

*Ahmed*



*Jules*

**HMA Agro Industries Limited**  
 Notes to the financial statements as at March 31, 2023

(in Rupees Million)

Particulars	As at	
	March 31, 2023	March 31, 2022
(13) Other assets		
<i>Current assets</i>		
Prepaid expenses*	26.93	19.41
Advances to suppliers	112.39	58.04
Advances to related parties (Refer note 30)	632.49	638.64
Balance with government authorities	405.70	212.17
Duty drawback receivable	14.91	15.06
<b>Total current assets</b>	<b>1,192.42</b>	<b>943.32</b>

\*Prepaid expense includes Rs 26.23 million (March 31, 2022 : 16.68 million towards IPO expense which will be charged to other equity in subsequent period on completion of IPO)

*Gay*      *Ahmed*



*Julius*

*[Handwritten mark]*

# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

(in Rupees Million)

Particulars	As at	
	March 31, 2023	March 31, 2022
<b>(14) Equity share capital</b>		
<b>Authorised</b>		
70,000,000 equity shares of face value Rs. 10 each (March 31, 2022 : 70,000,000 equity shares of face value Rs. 10 each)	700.00	700.00
	<b>700.00</b>	<b>700.00</b>
<b>Issued, subscribed and fully paid-up</b>		
47,512,875 equity share of face value Rs.10 each fully paid up (March 31, 2022 : 47,512,875 equity share of face value Rs.10 each fully paid up)	475.13	475.13
	<b>475.13</b>	<b>475.13</b>

**(a) Reconciliation of shares outstanding at the beginning and at the end of the year**

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Number of shares	Amount (in Rupees Million)	Number of shares	Amount (in Rupees Million)
<b>Equity shares</b>				
At the commencement of the year	4,75,12,875	475.13	37,26,500	37.27
Issued during the year	-	-	4,37,86,375	437.86
<b>At the end of the year</b>	<b>4,75,12,875</b>	<b>475.13</b>	<b>4,75,12,875</b>	<b>475.13</b>

**Note:**

(a) During the previous year the Board of Directors in meeting dated July 08, 2021 has approved the issue of bonus shares to all the shareholder in the ratio of 3.25:1 per equity shares. This was subsequently approved by all the share holders in extra ordinary general meeting of the Company held on July 14, 2021.

(b) During the previous year the Board of Directors in meeting dated October 04, 2021 has approved the issue of bonus shares to all the shareholder in the ratio of 2:1 per equity shares. This was subsequently approved by all the share holders in extra ordinary general meeting of the Company held on October 15, 2021.

**(b) Particulars of shareholders holding more than 5% shares of a class of shares**

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
<b>Equity shares of Rs. 10 each fully paid-up held by</b>				
Wajid Ahmed	1,52,04,120	32.00%	1,52,04,120	32.00%
Mohd Mehmood Qureshi	76,02,060	16.00%	76,02,060	16.00%
Mohd Ashraf Qureshi	76,02,060	16.00%	76,02,060	16.00%
Zulfiqar Ahmed Qureshi	76,02,060	16.00%	76,02,060	16.00%
Gulzar Ahmad	76,02,060	16.00%	76,02,060	16.00%

**(c) Details of shares held by promoters**

**As at March 31, 2023**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Wajid Ahmed	1,52,04,120	-	1,52,04,120	32%	-
Mohd Mehmood Qureshi	76,02,060	-	76,02,060	16%	-
Mohd Ashraf Qureshi	76,02,060	-	76,02,060	16%	-
Zulfiqar Ahmed Qureshi	76,02,060	-	76,02,060	16%	-
Gulzar Ahmad	76,02,060	-	76,02,060	16%	-
Praveez Alam	18,99,240	-	18,99,240	4%	-
Gulzeb Ahmad	1,275	-	1,275	0%	-
<b>Total</b>	<b>4,75,12,875</b>	<b>-</b>	<b>4,75,12,875</b>	<b>100%</b>	<b>-</b>

**As at March 31, 2022**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Wajid Ahmed	11,92,480	1,40,11,640.00	1,52,04,120	32%	-
Mohd Mehmood Qureshi	5,96,240	70,05,820.00	76,02,060	16%	-
Mohd Ashraf Qureshi	5,96,240	70,05,820.00	76,02,060	16%	-
Zulfiqar Ahmed Qureshi	5,96,240	70,05,820.00	76,02,060	16%	-
Gulzar Ahmad	5,96,240	70,05,820.00	76,02,060	16%	-
Praveez Alam	1,48,960	17,50,280.00	18,99,240	4%	-
Gulzeb Ahmad	100	1,175	1,275	0%	-
<b>Total</b>	<b>37,26,500</b>	<b>4,37,86,375</b>	<b>4,75,12,875</b>	<b>100%</b>	<b>-</b>

**(d) Rights, preferences and restrictions attached to equity shares**

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. 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.

(e) There were no shares allotted pursuant to a contract without payment being received in cash. During the year Company has issued bonus shares out of free reserved. Refer note a (i) and (ii) above.

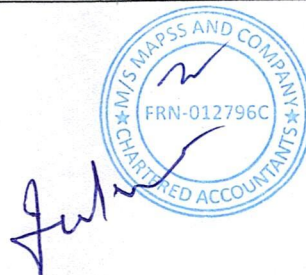
(f) There are no unpaid calls from any director or officer.

(g) The Company has paid dividend of Rs. 2 per share fully paid up equity share of Rs. 10 during the year ended March 31, 2023 pertaining to financial year ended March 31, 2022 (Rs. Nil in March 2022)

(h) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Bonus shares issued (number of shares)	4,37,86,375	-	-	-	-
Amount capitalised (Rs in Millions)	437.87	-	-	-	-

*Wajid Ahmed*



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**HMA Agro Industries Limited**  
Notes to the financial statements as at March 31, 2023

(in Rupees Million)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(15) Other equity</b>		
General Reserve	196.33	196.33
Capital Reserve	5.00	5.00
Retained earnings	4,277.88	2,999.70
Other comprehensive income	(5.11)	1.07
Effective portion of cash flow hedge	(104.84)	-
<b>Total other equity</b>	<b>4,369.26</b>	<b>3,202.10</b>
<b>General Reserve</b>		
At the commencement of the year	196.33	600.00
Less: Issue of bonus shares	-	(403.67)
<b>At the end of the year</b>	<b>196.33</b>	<b>196.33</b>
<b>Capital Reserve</b>		
At the commencement of the year	5.00	5.00
<b>At the end of the year</b>	<b>5.00</b>	<b>5.00</b>
<b>Securities Premium</b>		
At the commencement of the year	-	34.20
<b>At the end of the year</b>	<b>-</b>	<b>(34.20)</b>
<b>Retained earnings</b>		
At the commencement of the year	2,999.70	1,895.68
Profit for the year	1,373.21	1,104.02
Less: Dividend paid	(95.03)	-
<b>At the end of the year</b>	<b>4,277.88</b>	<b>2,999.70</b>
<b>Other Comprehensive income</b>		
At the commencement of the year	1.07	0.45
Profit for the year	(6.18)	0.62
<b>At the end of the year</b>	<b>(5.11)</b>	<b>1.07</b>

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*Signature 3*



*Signature 4*

**HMA Agro Industries Limited**  
Notes to the financial statements as at March 31, 2023

(In Rupees Million)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(16) Borrowings</b>		
<b>Current</b>		
Loans payable on demand from :		
Secured:		
- Banks - Working capital demand loans*	2,843.58	2,272.15
- Banks - Bill Purchase**	12.78	379.50
	<u>2,856.36</u>	<u>2,651.65</u>

\*Working capital demand loans are secured against raw materials, book debts and finished goods and various other collateral properties.

\*\*Pertains to bill discounting with banks.

Refer note 33 on details of security nature of payment and indicative interest rate against respective loans.

<b>(17) Trade payables</b>		
<b>Current trade payables</b>		
- Total outstanding dues of micro enterprise and small enterprises	632.37	445.46
- Total outstanding dues of creditors other than micro enterprises and small enterprises	40.87	205.11
- Related parties (Refer note 30)	-	-
<b>Total current trade payables</b>	<u>673.24</u>	<u>650.57</u>

The Company has the process of identification of 'suppliers' registered under the Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006, by obtaining confirmations from all suppliers. The Company has not received intimation from any of the 'suppliers' regarding their status under MSMED Act, 2006 and hence disclosures if any, relating to amounts unpaid as at the year end together with interest paid/payable as required have not been furnished.

**Ageing of trade payable**

**As at March 31, 2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	672.32	0.92	-	-	673.24
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	-	<u>672.32</u>	<u>0.92</u>	-	-	<u>673.24</u>

**As at March 31, 2022**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	641.25	2.57	3.80	2.95	650.57
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	-	<u>641.25</u>	<u>2.57</u>	<u>3.80</u>	<u>2.95</u>	<u>650.57</u>

<b>(18) Other financial liabilities</b>		
<b>Non current financial liabilities</b>		
Credit liabilities from financial Guarantees	3.04	4.70
Derivative liability - forward contract (Measured at fair value through profit and loss)	5.39	-
<b>Total Non current financial liabilities</b>	<u>8.43</u>	<u>4.70</u>

<b>Current financial liabilities</b>		
Derivative liability - forward contract (Measured at fair value through profit and loss)	196.61	-
Credit liabilities from financial Guarantees	0.87	0.79
Employee related obligations (Refer note 30 for related party balances)	4.31	18.90
Interest due and not paid	-	3.51
<b>Total current financial liabilities</b>	<u>201.79</u>	<u>23.20</u>

<b>(19) Other liabilities</b>		
<b>Current liabilities</b>		
Advances from Customer	313.90	371.84
Advances from Related party (Refer note 30)	-	14.74
Statutory dues payable*	35.36	36.43
<b>Total current liabilities</b>	<u>349.26</u>	<u>423.02</u>

\*Includes liability towards Tax deducted at source, provident fund contribution and Professional tax

<b>(20) Provisions</b>		
<b>Non-current provisions</b>		
Gratuity (Refer note 29)	15.89	7.86
<b>Total non-current provisions</b>	<u>15.89</u>	<u>7.86</u>
<b>Current provisions</b>		
Gratuity (Refer note 29)	1.87	0.80
<b>Total current provisions</b>	<u>1.87</u>	<u>0.80</u>



*Ray S*

*H Ahmed*

*Jalal*

*[Signature]*

# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(21) Revenue from operations</b>		
<b>Sale of products</b>		
- Domestic sales	1,491.89	2,483.63
- Export sales	29,792.89	26,749.25
<b>Total</b>	<b>31,284.78</b>	<b>29,232.88</b>
Discount	(29.25)	(13.00)
<b>Total Revenue from operations</b>	<b>31,255.53</b>	<b>29,219.88</b>
<b>(22) Other Income</b>		
Interest on :		
- Bank deposits	62.20	15.61
Foreign exchange gain, net	308.89	441.90
Profit on sale of property plant and equipment	0.51	0.05
Duty drawback	59.87	40.51
Gain on derivative forwards measured through profit and loss	-	29.14
Guarantee commission income	0.79	0.77
Liabilities no longer required written back	-	18.03
Miscellaneous income	28.50	7.89
<b>Total other income</b>	<b>460.76</b>	<b>553.90</b>
<b>(23) Cost of raw material consumed</b>		
Inventory at the beginning of the year	-	-
Add : Purchased	25,119.32	23,548.55
Less : Raw material at the end of the year	-	-
<b>Cost of raw material consumed</b>	<b>25,119.32</b>	<b>23,548.55</b>
<b>(24) Changes in Inventories</b>		
<b>At the beginning of the year</b>		
Finished Goods, Packing material and Consumables	1,318.21	1,268.47
<b>At the end of the year</b>		
Finished Goods, Packing material and Consumables	(1,127.20)	(1,318.21)
<b>Change</b>	<b>191.01</b>	<b>(49.74)</b>
<b>(25) Employee benefits expenses</b>		
Salaries, wages and bonus	211.90	718.75
Contribution to provident and other funds (Refer note 29)	3.66	6.43
Gratuity expense (Refer note 29)	0.84	2.17
Staff welfare expense	2.39	2.67
<b>Total employee benefits expenses</b>	<b>218.79</b>	<b>730.02</b>
<b>(26) Finance costs</b>		
Interest on :		
- Working capital demand loan (net)	100.77	63.45
- term loan on vehicles	-	-
- statutory dues	0.96	1.40
Other finance cost	-	-
<b>Total finance cost</b>	<b>101.73</b>	<b>64.85</b>
<b>(27) Depreciation expense</b>		
Depreciation of property, plant and equipment (Refer note 3)	43.75	43.54
<b>Total depreciation expense</b>	<b>43.75</b>	<b>43.54</b>
<b>(28) Other expenses</b>		
Freight charges	1,946.64	2,067.87
Cooling and freezing charges	1,028.18	120.24
Sales commission	423.90	389.68
Packaging expenses	190.29	214.18
Export charges	186.33	182.91
Repairs and Maintenance :		
Plant & Machinery	76.15	123.37
Building	5.87	3.98
Power and fuel	53.92	355.06
Legal and professional charges	39.20	42.52
Travelling and conveyance	34.99	5.36
Corporate Social Responsibility (Refer note 40)	23.74	16.36
Rates and taxes	21.27	58.79
Bank charges	21.00	36.80
Consumable expenses	16.14	59.95
Loss on Derivative forwards measured through profit and loss	91.04	-
Insurance charges	8.79	9.76
Security charges	5.46	16.25
Vehicle expenses	4.09	3.00
Communication expenses	3.28	4.26
Cleaning expenses	1.63	7.55
Auditor's remuneration (Refer note 28.1 below)	1.83	0.64
Facility utilisation charges and Rent	0.76	189.58
Printing & stationery	-	6.85
Software charges	-	3.85
Miscellaneous expenses	20.13	23.21
<b>Total other expenses</b>	<b>4,204.63</b>	<b>3,942.02</b>
<b>(28.1) Payment to auditors :</b>		
For statutory audit	1.83	0.64
<b>Total payment to auditors</b>	<b>1.83</b>	<b>0.64</b>



*C. S. S.* *A. S. S.*

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (29) Employee benefits

### (a) Defined contribution plan

The Company has a defined contribution plan in respect of provident fund. Contributions are made to provident fund in India for employees as per regulations. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Particulars	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to provident fund	3.66	6.43
Included in 'Contribution to provident fund under employee benefits expense (Refer Note 25)		

### (b) Defined benefit plans

#### Gratuity:

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a non funded plan and the Company makes provision in the books of accounts based on the actuarial report.

#### Actuarial Assumptions

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7%	7%
Future salary increases	5%	5%
Attrition rate	10%	10%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
Weighted average duration of the obligation	7.5 Years	8 Years

#### Notes:

- Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- Assumptions regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

### (a) The amounts recognised in the balance sheet and movements in the net defined benefit obligation (DBO) over the year are as follows :

Change in the present value of obligation	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Present value of obligation at the beginning of the year</b>	8.66	13.64
Interest cost	0.60	0.48
Liability transfer out on account of slump sale	-	-
Current service cost	2.67	1.69
Past service cost	(2.43)	-
Benefits paid	-	-
<b>Remeasurement due to</b>	-	-
Actuarial loss arising from change in financial assumptions	(0.39)	(0.27)
Actuarial loss arising on account of experience changes	8.65	(0.56)
Actuarial loss arising on account of demographical assumptions	-	-
Transfer in/(out)*	-	(6.32)
<b>Present value of obligation at the end of the year</b>	<b>17.76</b>	<b>8.66</b>

\*During the previous year the Company has transferred employed to one of its subsidiary and hence liability pertaining to same has been transferred out.



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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

(in Rupees Million)

(b) Reconciliation of present value of defined benefit obligation and the fair value of assets	Year ended	Year ended
	March 31, 2023	March 31, 2022
Present value of funded obligation at the end of the year	17.76	8.66
Fair value of plan assets as at the end of the period	-	-
<b>Deficit of funded plan</b>	<b>17.76</b>	<b>8.66</b>
<b>Amount recognised in the statement of profit and loss</b>		
	Year ended	Year ended
	March 31, 2023	March 31, 2022
Current service cost	2.67	1.69
Past service cost	(2.43)	-
Interest cost	0.60	0.48
<b>Total expense recognized in the statement of profit and loss</b>	<b>0.84</b>	<b>2.17</b>
<b>Amount recognised in other comprehensive income</b>		
	Year ended	Year ended
	March 31, 2023	March 31, 2022
<b>Remeasurements during the year due to</b>		
Changes in financial assumptions	(0.39)	(0.27)
Changes in demographic assumptions	-	-
Experience adjustments	8.65	(0.56)
Actual return on plan assets less interest on plan assets		
<b>Amount recognised in other comprehensive income during the year</b>	<b>8.26</b>	<b>(0.83)</b>

(c) Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

Particulars	Year ended	Year ended
	March 31, 2023	March 31, 2022
Discount rate (Increases 1%)	(1.19)	(0.61)
Discount rate (Decreases 1%)	1.36	0.69
Salary increase rate (Increases 1%)	1.37	0.70
Salary increase rate (Decreases 1%)	(1.22)	(0.62)
Withdrawal Rate (Increases 1%)	0.15	0.03
Withdrawal Rate (Decreases 1%)	(0.17)	(0.04)
Mortality Rate (increase in expected lifetime by 1 year)	(0.01)	(0.00)
Mortality Rate (increase in expected lifetime by 3 year)	(0.00)	(0.01)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice it is unlikely to occur, and changes in some of the assumptions may be correlated. The methods and types of assumption used in preparing the sensitivity analysis did not change compared to previous period.

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (30) Related party transactions

### (a) Related parties

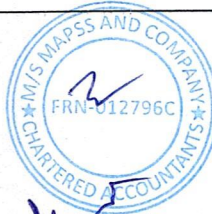
Sr. No	Name of the party	Nature of relationship
1	HMA Food Export Private Limited	Subsidiary
2	FNS Agro Foods Limited	Subsidiary
3	Swastik Bone and Geatines Private Limited	Subsidiary
4	Laal Agro Food Private Limited	Subsidiary
5	United Farm Products Private Limited	Subsidiary
6	International Agro Food Exports	Joint operations
7	Indus Farmers Food Co. LLP	Subsidiary
8	JFF Export Private Limited (w.e.f. July 23, 2020)	Subsidiary
9	HMA Natural Foods Private Limited	Subsidiary
10	Federal Agro Industries Private Limited (w.e.f April 01, 2022)	Subsidiary
11	Reliable agro foods (w.e.f. November 09, 2021)	Subsidiary
12	Agro Better Homes LLP	Relative of KMP is Director
13	HMA Cattle Farming Private Limited	Relative of KMP is Director
14	Gausia Cold Storage	Relative of KMP is Director
15	HMA Export Private Limited	Relative of KMP is Director
16	HMA Hygienic Foods Industries Private Limited	Relative of KMP is Director
17	HMA Leather Export Private Limited	Relative of KMP is Director
18	Taj View Builder and Promoters Private Limited	Relative of KMP is Director
19	Taj View Construction Private Limited	Relative of KMP is Director
20	Black Gold Tanners	Enterprise where KMP is partner
21	Zulfiqar Ahmed Qureshi	Relative of KMP
22	Mohammad Kamil Qureshi	Relative of KMP
23	Parvez Alam	Relative of KMP
24	Mohammad Ashraf Qureshi	Relative of KMP
25	Mohammad Mehmood Qureshi	Relative of KMP
26	Gulzair Ahmed	Relative of KMP
27	Zainul Ahmad	Relative of KMP
28	Gulam Habib	Relative of KMP
29	Zakiya Qureshi	Relative of KMP
30	Nafees Begaum	Relative of KMP

### (b) Key managerial personnel

Sr. No	Particulars	Nature of relationship
1	Wajid Ahmed (upto June 02, 2021) (w.e.f June 03, 2021)	Director Managing Director
2	Gulzar Ahmad (upto June 02, 2021) (w.e.f June 03, 2021)	Director Chairman
3	Gulzeb Ahmed (upto June 03, 2021) (w.e.f June 03, 2021)	Director Chief financial officer
4	Zulfiqar Ahmed Qureshi (upto. April 01, 2021)	Director
5	Nikhil Sundrani (upto Feburary 28, 2023)	Company secretary

*Wajid Ahmed*

*Gulzar*



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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

(30) Related party transactions (continued)

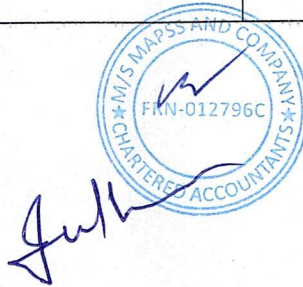
(c) Details of transactions with related parties

(in Rupees Million)

Sr. No	Nature of Transaction	March 31, 2023	March 31, 2022
<b>A</b>	<b>Transactions</b>		
<b>1</b>	<b>Facility utilisation charges</b>		
	HMA Food Export Private Limited	-	30.00
	Federal Agro Industries Private Limited	-	60.00
	Reliable Agro foods	-	20.00
	Gausia Cold Storage	-	0.06
<b>2</b>	<b>Cooling charges</b>		
	Reliable agro foods	208.35	-
	HMA Food Export Private Limited	390.63	-
<b>3</b>	<b>Commission on sales</b>		
	Mohammad Ashraf Qureshi	12.81	36.69
<b>4</b>	<b>Revenue from Operations</b>		
	HMA Leather Export Private Limited	42.61	2.27
	Federal Agro Industries Private Limited	1.73	8,735.95
	United Farm Products Private Limited	5.37	-
	Swastik Bone and Geatines Private Limited	0.15	-
	HMA Food Export Private Limited	0.05	-
	Black Gold Tanners	10.57	-
<b>5</b>	<b>Purchase of finished goods and other consumables</b>		
	Laal Agro Food Private Limited	1.51	0.42
	HMA Leather Export Private Limited	-	41.38
	Federal Agro Industries Private Limited	12,193.78	24.23
	United Farm Products Private Limited	1,186.43	-
<b>6</b>	<b>Remuneration</b>		
	Gulzar Ahmad	18.00	16.50
	Zulfiqar Ahmad Qureshi	-	1.00
	Wajid Ahmed	18.00	16.50
	Mohammad Kamil Qureshi	18.00	16.50
	Gulzeb Ahmed	12.01	11.10
	Parvez Alam	18.00	16.50
	Mohammad Mehmood Qureshi	18.00	16.50
	Gulzair Ahmed	5.30	1.20
	Zainul Ahmad	-	1.20
	Gulam Habib	-	1.20
	Nikhil Sundrani	0.42	-
	Bhumika Parwani	0.02	-
<b>7</b>	<b>Reimbursement of expense incurred on behalf of subsidiary</b>		
	Federal Agro Industries Private Limited	-	3.77
	HMA Leather Export Private Limited	-	0.36
	Gausia Cold Storage Pvt Ltd	-	4.16
<b>8</b>	<b>Advance given to related parties</b>		
	JFF Export Private Limited	9.22	40.00
	Laal Agro Food Private Limited	1.88	1.14
	HMA Food Export Private Limited	904.87	-
	United Farm Products Private Limited	10.61	-
	Reliable Agro foods	495.65	-
	Swastik Bone and Geatines Private Limited	-	5.00
	HMA Natural Foods Private Limited	0.03	-
<b>10</b>	<b>Advances received back from related parties</b>		
	HMA Hygienic Foods Industries Private Limited	-	0.75
	Laal Agro Food Private Limited	3.57	1.88
	United Farm Products Private Limited	1,252.47	-
	HMA Leather Export Private Limited	-	43.01
	Reliable Agro foods	488.50	-
	Swastik Bone and Geatines Private Limited	-	1.23
	HMA Food Export Private Limited	914.01	-

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023  
(30) Related party transactions (continued)

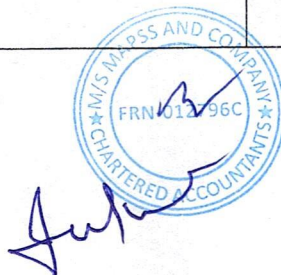
Sr. No	Nature of Transaction	March 31, 2023	March 31, 2022
<b>11</b>	<b>Loan given</b>		
	United Farm Products Private Limited	2,315.88	328.61
	FNS Agro Foods Limited	1.00	0.90
	Reliable agro foods	-	17.62
	Indus Farmers Food Co. LLP	14.05	4.90
<b>12</b>	<b>Loan received back</b>		
	United Farm Products Private Limited	0.00	13.46
<b>13</b>	<b>Borrowings taken from related parties</b>		
	Mohammad Ashraf Qureshi	-	16.17
	Wajid Ahmed	-	1.00
<b>14</b>	<b>Borrowings repaid to related parties</b>		
	Wajid Ahmed	-	4.39
	Mohammad Kamil Qureshi	-	2.89
	Gulzeb Ahmed	-	1.80
	Mohammad Ashraf Qureshi	-	68.95
<b>15</b>	<b>Dividend Paid</b>		
	Zulfiqar Ahmed Qureshi	15.21	-
	Mohammad Ashraf Qureshi	15.21	-
	Mohammad Mehmood Qureshi	15.21	-
	Wajid Ahmed	30.39	-
	Gulzar Ahmad	15.21	-
	Parvez Alam	3.80	-
	Gulzeb Ahmed*	0.00	-
<b>16</b>	<b>Guarantee given for subsidiary company</b>		
	United Farm Products Private Limited	-	650.00
<b>17</b>	<b>Guarantee given on behalf of the Company</b>		
	Taj View Builder and Promoters Private Limited	2,400.00	2,400.00
	Taj View Construction Private Limited	2,400.00	2,400.00
	Federal Agro Industries Private Limited	2,400.00	2,400.00
	Agra Better Homes LLP	1,250.00	1,250.00
	HMA Food Export Private Limited	2,400.00	2,400.00
	Gulzar Ahmad	3,650.00	3,650.00
	Zulfiqar Ahmad Qureshi	3,650.00	3,650.00
	Mohammad Ashraf Qureshi	2,400.00	2,400.00
	Wajid Ahmed	3,650.00	3,650.00
	Mohammad Kamil Qureshi	2,400.00	2,400.00
	Gulzeb Ahmed	3,650.00	3,650.00
	Zakiya Qureshi	3,650.00	3,650.00
	Parvez Alam	2,400.00	2,400.00
	Nafees Begaum	2,400.00	2,400.00
	Mohammad Mehmood Qureshi	2,400.00	2,400.00
<b>18</b>	<b>Guarantee commission</b>		
	United Farm Products Private Limited	0.79	0.77

\*Amount less than Rupee one million.

Sr no.	Balances	March 31, 2023	March 31, 2022
<b>B</b>	<b>Balances</b>		
<b>18</b>	<b>Trade Receivables</b>		
	Black Gold Tanners	6.47	-
	Swastik Bone and Geatines Private Limited	23.02	-
	HMA Leather Export Private Limited	24.42	-
<b>19</b>	<b>Loans receivables</b>		
	United Farm Products Private Limited	1,466.31	392.28
	FNS Agro Foods Limited	30.69	29.69
	Reliable agro foods	17.62	17.62
	Indus Farmers Food Co. LLP	18.95	4.91
<b>20</b>	<b>Advance to related Parties</b>		
	Laal Agro Food Private Limited	76.72	78.40
	JFF Export Private Limited	409.53	400.31
	HMA Natural Foods Private Limited	0.55	0.52
	Swastik Bone and Geatines Private Limited	-	11.72
	HMA Food Export Private Limited	136.07	145.21
	Reliable agro foods	9.62	2.47
<b>21</b>	<b>Employee related obligations</b>		
	Gulzar Ahmad	0.13	-

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (30) Related party transactions (continued)

Sr no.	Commitments	March 31, 2023	March 31, 2022
<b>22</b>	<b>Trade Payables</b>		
	Laal Agro Food Private Limited	-	0.53
	Mohd Ashraf Qureshi	-	3.26
	Gausia Cold Storage	23.01	16.58
	Federal Agro Industries Private Limited	17.86	185.28
<b>23</b>	<b>Advance from related Parties</b>		
	HMA Leather Export Private Limited	-	14.74

Sr no.	Commitments	March 31, 2023	March 31, 2022
<b>C</b>	<b>Commitments</b>		
<b>24</b>	<b>Guarantee given for subsidiary company</b>		
	United Farm Products Private Limited	650.00	650.00
<b>25</b>	<b>Guarantee given on behalf of the Company</b>		
	Taj View Builder and Promoters Private Limited	2,400.00	2,400.00
	Taj View Construction Private Limited	2,400.00	2,400.00
	Federal Agro Industries Private Limited	2,400.00	2,400.00
	HMA Food Export Private Limited	2,400.00	2,400.00
	Agra Better Homes LLP	1,250.00	1,250.00
	Gulzar Ahmad	3,650.00	3,650.00
	Zulfiquar Ahmad Qureshi	3,650.00	3,650.00
	Mohammad Ashraf Qureshi	2,400.00	2,400.00
	Wajid Ahmed	3,650.00	3,650.00
	Mohammad Mehmood Qureshi	2,400.00	2,400.00
	Mohammad Kamil Qureshi	3,650.00	3,650.00
	Gulzeb Ahmed	3,650.00	3,650.00
	Zakiya Qureshi	2,400.00	2,400.00
	Parvez Alam	2,400.00	2,400.00
	Nafees Begaum	2,400.00	2,400.00

Key managerial personnel who are under the employment of the Parent Company are entitled to post employment benefits recognized as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are amounts provided on the basis of actuarial valuation, the same is not included above. Gratuity has been computed for the entity as a whole and hence excluded.

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

Directors of the Company and entities where they have significant influence have given personal and corporate guarantee towards the loans availed from financial institutions by the Company, details of the same are disclosed under note 33.

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (31) Fair value measurement

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities if the carrying amount is a reasonable approximation of fair value those include cash and cash equivalents, other bank balances, trade receivables and trade payables.

		(in Rupees Million)	
At fair value through profit and loss	Level	March 31, 2023	March 31, 2022
<b>Assets</b>			
Derivative asset - Forward contract receivable	2	-	29.14
<b>Total assets</b>		<b>-</b>	<b>29.14</b>
<b>Liabilities</b>			
Derivative liabilities - Forward contract payables	2	61.90	-
<b>Total liabilities</b>		<b>61.90</b>	<b>-</b>

		(in Rupees Million)	
At fair value through other comprehensive income	Level	March 31, 2023	March 31, 2022
<b>Liabilities</b>			
Derivative liabilities - Forward contract payables	2	140.10	-
<b>Total liabilities</b>		<b>140.10</b>	<b>-</b>

		(in Rupees Million)	
At amortised cost		March 31, 2023	March 31, 2022
<b>Assets</b>			
Trade receivables		2,992.07	2,881.87
Cash and cash equivalents		651.13	164.97
Other bank balances		18.51	225.26
Investment		728.80	728.80
Loan		1,533.57	444.50
Other financial assets		280.43	293.66
<b>Total assets</b>		<b>6,204.51</b>	<b>4,739.05</b>
<b>Liabilities</b>			
Borrowings		2,856.36	2,651.65
Trade payables		673.24	650.57
Other financial liabilities		8.23	27.90
<b>Total liabilities</b>		<b>3,537.83</b>	<b>3,330.12</b>

Note: Carrying amounts of cash and cash equivalents, other bank balances, trade receivables, other financial assets, borrowings, other financial liabilities and trade payables as at year ended March 31, 2023 and March 31, 2022 approximate their fair value due to their short-term nature. Difference between carrying amounts and fair values of other financial assets and other financial liabilities subsequently measured at amortised cost is not significant in each of the periods presented.

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (32) Financial risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies. The Board holds regular meetings on its activities.

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, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

### a). Credit risk

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.

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by considering the business environment in which Company operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Company, market intelligence and goodwill. Outstanding customer receivables are regularly monitored. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables and other receivables.

#### Cash and cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of Rs. 898.04 million as at March 31, 2023 (March 31, 2022 : Rs 631.20 million). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

#### Loans

Loan is given to related parties for which credit risk is managed by monitoring the recoveries of such amounts on regular basis. The Company does not perceive any credit risk related to such loans given to group companies since these will have an additional financial support from promoters as and when necessary.

#### Other financial assets

Other financial assets measured at amortised cost includes deposits and capital advances for immovable properties etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis and the Company does not perceive any credit risk related to these financial assets.

Other than trade and other receivables, the Company has no other financial assets that are past due but not impaired.

### b). Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Company has access to unused credit facility at the period ended March 31, 2023 amounting to Rs 793.64 millions (March 31, 2022 : Rs 998.00 million) towards working capital needs as and when required.

#### Maturities of financial liabilities

The below table analyses the Company's financial liabilities into relevant maturity based on their contractual maturities. The amounts disclosed in the table are contractual undiscounted cash flows.

Particulars	Carrying amount	(in Rupees Million)	
		Undiscounted amount	
		<12months	>12months
<b>March 31, 2023</b>			
<b>Non Derivative financial instruments</b>			
Borrowings	2,856.36	2,856.36	-
Trade payables	673.24	673.24	-
Other financial liabilities	13.61	5.19	8.43
<b>Derivative financial instruments</b>			
Other financial liabilities	196.61	196.61	-
<b>March 31, 2022</b>			
<b>Non Derivative financial instruments</b>			
Borrowings	2,651.65	2,651.65	-
Trade payables	650.57	641.25	9.32
Other financial liabilities	27.90	23.20	4.70

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (32) Financial risk management framework (continued)

### (c). Market risk

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – that 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 Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of derivative used to cover forecasted sales and outstanding foreign debtors. Thus, the exposure to market risk is a function of borrowing activities and revenue generating, operating activities in foreign currency.

### (d). Currency risk

The Company is exposed to currency risk on account of foreign currency transactions including recognized assets and liabilities denominated in a currency that is not the Company's functional currency (₹), primarily in respect of United States Dollar, EURO and GBP. The Company ensures that the net exposure is kept to an acceptable level.

#### Exposure to currency risk

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

#### As at March 31, 2023

Particulars	(in Rupees Million)		
	USD converted to INR	EURO converted to INR	GBP converted to INR
<b>Financial assets</b>			
Trade receivables	2,881.72	103.73	-
<b>Net exposure to foreign currency (assets)</b>	<b>2,881.72</b>	<b>103.73</b>	<b>-</b>
<b>Financial liabilities</b>			
Advances received from customer	349.09	7.72	-
<b>Net exposure to foreign currency (liabilities)</b>	<b>349.09</b>	<b>7.72</b>	<b>-</b>
<b>Net exposure to foreign currency</b>	<b>2,532.63</b>	<b>96.01</b>	<b>-</b>

#### As at March 31, 2022

Particulars	(in Rupees Million)		
	USD converted to INR	EURO converted to INR	GBP converted to INR
<b>Financial assets</b>			
Trade receivables	1,853.65	-	-
<b>Net exposure to foreign currency (assets)</b>	<b>1,853.65</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>			
Advances received from customer	356.63	-	-
<b>Net exposure to foreign currency (liabilities)</b>	<b>356.63</b>	<b>-</b>	<b>-</b>
<b>Net exposure to foreign currency</b>	<b>1,497.02</b>	<b>-</b>	<b>-</b>

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against all other currencies would have affected the measurement of financial instruments denominated in a foreign currency profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	(in Rupees Million)	
	Impact on profit after tax	
	March 31, 2023	March 31, 2022
USD		
- Increase by 5%	94.76	56.01
- Decrease by 5%	(94.76)	(56.01)
EURO		
- Increase by 5%	3.59	-
- Decrease by 5%	(3.59)	-
GBP		
- Increase by 5%	-	-
- Decrease by 5%	-	-

### Derivative financial instruments and hedging activities

The Company's revenue is denominated in various foreign currencies. Given the nature of the business, a large portion of the costs are denominated in Indian Rupee. This exposes the Company to currency fluctuations.

The Board of Directors frames, implement and monitor the risk management plan of the Company which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the board, the Company uses derivative instruments such as foreign exchange forward in which the counter party is generally a bank

The foreign exchange forward contracts designated as cash flow hedges mature over a maximum period of eighteen months. The group manages its exposures normally for a period of up to two years based on the estimated exposure over that period.

The Board of Directors frames, implement and monitor the risk management plan of the Company which inter-alia covers risks arising out of exposure to foreign currency fluctuations. Under the guidance and framework provided by the board, the Company uses derivative instruments such as foreign exchange forward in which the counter party is generally a bank

The foreign exchange forward contracts designated as cash flow hedges mature over a maximum period of eighteen months. The company manages its exposures normally for a period of up to two years based on the estimated exposure over that period.

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (32) Financial risk management framework (continued)

The reconciliation for the cash flow hedge reserve for the period ended March 31, 2023 is as follows:

(in Rupees Million)	
Particulars	As at March 31, 2023
Changes in fair value of forward contract designated as hedging instruments	(358.04)
Amount reclassified to profit and loss during the year	217.95
<b>Net charge to other comprehensive income before tax adjustments</b>	<b>(140.10)</b>
Tax Impact on the above	35.26
<b>Net outstanding cash flow hedge reserve</b>	<b>(104.84)</b>

The following table gives details in respect of outstanding derivative contracts:

Particulars	As at March 31, 2023		As at March 31, 2022	
	Notional amount of contracts (in million)	Fair value (Rs in million)	Notional amount of contracts (in million)	Fair value (Rs in million)
<b>Forward contracts not in hedging relationship</b> (fair valuation through profit and loss)				
USD	35.14	2,831.68	20.09	2.86
EURO	5.00	451.78	-	-
GBP	-	-	-	-
<b>Contracts in hedging relationship</b> (fair valuation through other comprehensive income)				
USD	35.51	2,876.98	-	-
EURO	5.00	451.78	-	-
GBP	35.00	3,357.18	-	-

Following table summarises approximate gain / (loss) on the Company's other comprehensive income on account of appreciation / depreciation of the underlying currencies:

Particulars	(in Rupees Million)	
	Impact on profit after tax	
	March 31, 2023	March 31, 2022
USD		
- Increase by 5%	213.60	58.06
- Decrease by 5%	(213.60)	(58.06)
EURO		
- Increase by 5%	33.81	-
- Decrease by 5%	(33.81)	-
GBP		
- Increase by 5%	125.61	-
- Decrease by 5%	(125.61)	-

As at March 31, 2023 Rs (61.90) million, (March 31, 2022 Rs 29.14 million) have been recognised in the financial information for exchange gain/(loss) on foreign exchange forward that do not qualify for hedge accounting.

### (ii). Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

#### Exposure to interest rate risk

The Companies exposure to interest rate risks relates primarily to the Companies interest obligations on its borrowings. Borrowings taken at variable rates are exposed to fair value interest rate risk. Company carries excellent credit ratings, due to which it has assessed that there are no material interest rate risk and any exposure thereof.

### (iii). Capital risk management

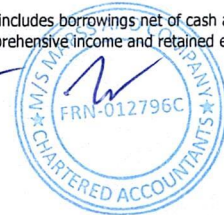
The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business.

The Company monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital, general reserve, securities premium, other comprehensive income and retained earnings.

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (32) Financial risk management framework (continued)

Particulars	(in Rupees Million)	
	March 31, 2023	March 31, 2022
Borrowings	2,856.36	2,651.65
Less : Cash and cash equivalents	(651.13)	(164.97)
Less : Other bank balances	(246.91)	(466.23)
Net Debt	<b>1,958.32</b>	<b>2,020.45</b>
Equity	475.13	475.13
Total Capital	<b>475.13</b>	<b>475.13</b>
Total Capital and Net Debt	2,433.45	2,495.58
Capital gearing ratio	0.80	0.81

### Loan covenants

The Company is required to comply with all the loan covenants as set out in the loan agreement/facility letter. The Company has complied with these covenants during the reporting period.

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

(33) Details of the outstanding principal, interest rate, security and repayment terms:

(in Rupees Million)

Particulars	March 31, 2023	March 31, 2022	Interest rate	Repayment Period	Secured against
L-1	1,606.42	1,947.23	3.50%	On Completion of tenure of the WCDL facility	<p>1. Hypothecation of Raw materials, Book debts, Finished goods, Fixed deposits and personal guarantee of Directors and its related parties including other Group Companies where promoters are directors.</p> <p>2. Collateral Properties :</p> <p>I. Property in the name of Company :</p> <p>i. Property -1 (Non-agriculture land) an area of 1.1720 Hectare out of 2.3440 Khasra no. 65, situated at Mauza Sawai Tehsil Etmadpur District Agra</p> <p>ii. Property -2 (Non agricultural land) Non agricultural land 1/2 share of khasra no. 67 an area of 1.6595 Hectare out of 3.3190 Hectare, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Taj view Builder and Promoters P Limited</p> <p>iii. Property - 3 (Non agricultural land) Non agricultural land an area of 3.5090 Hectare of Khasra no. 78, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Taj view Construction Pvt Ltd</p> <p>iv. Property - 4 (Non agricultural land) Non agricultural land an area of 1.7660 Hectare of Khasra no. 84/2, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Taj view Construction Pvt Ltd</p> <p>v. Property - 5 (Residential flat) - All that Piece and Parcel of Property bearing Flat No. 04, area measuring 75.71 Sq. mtrs, on third floor, in Plot No. 1, built on property no. 2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P.</p> <p>vi. Property - 6 (Industrial land &amp; building) All that Piece and Parcel of Property bearing land area measuring 0.461 hectare out of total land admeasuring 0.6910 hectare in Khasra/Gata No. 287Min, situated at Village Kuberpur, Tehsil- Etmadpur, Agra, U.P. (Owned by Mr. Mohmmad Mehmood Qureshi and Mr. Mohmmad Kamil Qureshi)</p> <p>vii. Property - 7 (Industrial land &amp; building) All that Piece and Parcel of Property bearing land area\ measuring 0.7830 hectare in Khasra/ Gata No. 287Min, situated at Village Kuberpur, Tehsil-Etmadpur, Agra, U.P.</p> <p>Continued....</p>

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*E. J. S.*

*Ahmed*

*Jules*



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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (33) Details of the outstanding principal, interest rate, security and repayment terms(Continued) :

(in Rupees Million)

Particulars	March 31, 2023	March 31, 2022	Interest rate	Repayment Period	Secured against
					<p>viii. Property - 8 (Industrial land &amp; building) All that piece and parcel of Property bearing total land area measuring 0.5747 hectare (land area measuring 0.387 hectare out of land area 0.4686 hectare earlier owned by Shri Deepak Bansal &amp; Shri Vikas Bansal AND land area measuring 0.1877 hectare out of land area 0.423 hectare earlier owned by Smt. Poonam Agarwal) in Khasra/Gata No. 293Min, situated at Village Kuberpur, Tehsil-Etmadpur, Agra, Owned by M/s H.M.A Food Export Pvt Ltd</p> <p>ix. Property - 9 (Industrial land &amp; building) All that Piece and Parcel of Property bearing total land area measuring 2.029 hectare in Khasra/Gata No. 293Min (0.703 hectare), 295Min (0.933 hectare), 297Min (0.392 hectare) situated at Village Kuberpur, Tehsil-Etmadpur, Agra, U.P.</p> <p>x. Property - 10 (Commercial/Shop) All that Piece and Parcel of Property bearing Shop No. 02, area measuring 68.39 Sq. mtrs, on second floor, in Plot No. 1, built on property no. 2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P.</p> <p>xi. Property - 11 (Commercial/Shop) All that Piece and Parcel of Property bearing Shop No. 03, area measuring 63.17 Sq. mtrs, on first floor, in Plot No. 1, built on property no. 2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P.</p> <p>xii. Property - 12 (Industrial land &amp; building) Exclusive charge of Land and Building situated at Village Behra , Barwala Road, dera Bassi, Distt Patiala Punjab measuring 72 Bighas 17 Biswas I.E 18.30 acres owned By Federal Agro Industries Ltd</p> <p>xiii. Property - 13 (Industrial land &amp; building) Exclusive charge of Land and Boundary wall situated at Village Behra , Barwala Road, dera Bassi, Distt Mohali Punjab measuring 7 bigha 18 biswa owned by Federal Agro Industries Ltd</p> <p>xiv. Property - 14 (Residential/Commercial/Industrial Land &amp; Building) Exclusive charge on additional property of Rs 150 Mn to be provided for enhancement above the existing exposure of Rs 1700 Mn. Same may be replaced with FD of Rs 150 Mn till the time security is not provided.</p> <p>2. Personal Guarantee of : Gulzar Ahmed, Mohammad Ashraf Qureshi, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Mohammad Kamil Qureshi, Gulzeeb Ahmed, Zakiya Qureshi, Qureshi, Parvez Alam, Nafees Begaum, Mohammad Mehmood Qureshi</p> <p>3. Corporate Guarantees of - Taj view Builder and Promoters Private Limited Taj view Construction Private Limited HMA Food Export Private Limited Federal Agro Industries Private Limited</p> <p>4. Lien on Fixed Deposits(FD) of Rs.50 Million only</p>
L-2	1,249.94	704.42	3.25%	On Completion of tenure of the WC DL facility i.e. October 30, 2022 and subject to renewal	<p>1. First Pari passu charge on the Current assets (Raw materials, Book debts, Finished goods) of the borrower both present and future.</p> <p>2. Exclusive charge over residential and commercial property being Part of property no.95 and old no. 51 and present Nagar Nigam no. 2/200 situated at Surya Nagar (civil line), Hari parwat ward Tehsil &amp; Dist. Agra in the name of Agra better home LLP .</p> <p>3. Unconditional and Irrevocable personal guarantee of Gulzar Ahmed, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Gulzeb Ahmed and Zakiya Qureshi to remain valid during entire tenor of facility.</p> <p>4. Unconditional and Irrevocable personal/corporate guarantee of collateral owner to remain valid during entire tenor of facility.</p>
L-3	-	-	NA	Payable on demand	Unsecured Loans given by directors are repayable with no interest rate.
<b>Total</b>	<b>2,856.36</b>	<b>2,651.65</b>			

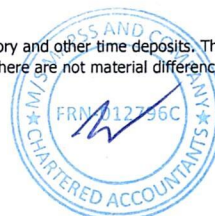
Note : All the loans are classified as current as they are repayable on demand.

The Company has borrowings from banks or financial institutions on the basis of security of book debts, inventory and other time deposits. The quarterly statements of current assets filed by the Company with banks are in primarily in agreement with the books of accounts and there are not material differences.

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*Gulzar Ahmed*

*Fulwani*



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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (34) Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Remarks
Current ratio	Current Assets	Current Liabilities	1.44	1.49	-3%	
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.59	0.72	-18%	
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest payable to bank	14.06	18.09	-22%	
Return on net worth*	Net Profits after taxes	Shareholder's Equity	0.28	0.30	-6%	
Inventory Turnover ratio	Cost of goods sold	Average Inventory	20.70	18.17	14%	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	10.57	12.79	-17%	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	37.95	35.74	6%	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	16.88	15.97	6%	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.04	0.04	17%	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.25	0.25	2%	
Return on Investment	Interest (Finance Income)	Investment	0.25	0.03	653%	Refer note 1

Note :

- The return on investment is not comparable due to difference in duration of the deposits kept with the bank.



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*Muhammad*

*Julius*

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (35) Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to the equity holders of the Company (Rs in Millions)	1,373	1,104
Weighted average number of equity shares for EPS (in nos)	4,75,12,875	4,75,12,875
Adjustment for calculation of Diluted EPS (in nos)	-	-
Weighted average number of equity shares for Diluted EPS (in nos)	4,75,12,875	4,75,12,875
Earnings per share		
- Basic	28.90	23.24
- Diluted	28.90	23.24
Face value per equity share (Rs.)	10.00	10.00

The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources. The number of ordinary shares outstanding before the bonus issue are adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest period presented i.e from April 01, 2021.

## (36) Income tax expense

This note provides analysis of Company's income tax expense, amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates in relation to the Company's tax position.

### (a) Income tax expense is as follows:

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Profit and loss</b>		
Current tax	485.41	382.10
Tax expense relating to prior years	-	10.15
Deferred tax	(21.56)	(1.73)
<b>Income tax expense</b>	<b>463.85</b>	<b>390.52</b>

### (b) Reconciliation of tax expense and the accounting profit computed by applying income tax rate:

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Profit before tax</b>	<b>1,837.06</b>	<b>1,494.54</b>
Tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>462.35</b>	<b>376.14</b>
Expenses not deductible for tax purpose	5.97	4.39
Tax expense relating to prior years	-	10.15
Others	(4.47)	-
<b>Income tax expense</b>	<b>463.85</b>	<b>390.68</b>

## (37) Segment reporting

The Company publishes this financial statement along with the consolidated financial statements. In accordance with Ind AS 108, Operating Segments, the Company has disclosed the segment information in the consolidated financial statements.

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker for assessing the Company's performance and allocating the resources based on an analysis of various performance indicators by business segments and geographic segments.

The Company is engaged into business of Manufacturing and exporting of Buffalo Frozen Meat and Meat Products which is single reportable business segment. Hence the Company's financial statements reflect the position for a reportable segment and no separate disclosure is required. The company has its manufacturing operations in India and sales products across various geographies in the world.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below:

### Revenue from operations

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Vietnam	6,612.87	5,750.09
Malaysia	9,593.49	4,064.45
Hongkong	1,337.60	1,469.87
Indonesia	2,111.93	1,598.60
Egypt	2,667.92	9,167.38
Rest of the world	8,713.79	7,169.49
<b>Total</b>	<b>31,037.59</b>	<b>29,219.88</b>

All the non-current operating assets are located in India.

List of top customers from which revenue from sale of product from is generated :

(in Rupees Million)

Customer	Year ended March 31, 2023	Year ended March 31, 2022
Customer A	0.84%	8.95%
Customer B	5.20%	6.91%
Customer C	6.79%	5.48%

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*Attn: ...*

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# HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

## (38) Commitments and contingent liabilities

Particular	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>(a) Other commitments</b>		
Guarantee given to financial institutions on behalf of subsidiary (Refer note 30)	650.00	650.00
<b>(b) Contingent liabilities</b>		
For claims against Company not acknowledged as debt		
Service tax matters under appeal*	5.55	5.55

\*The Company believes that these claims are not tenable and hence no provision has been made in this regards.

A search was carried out on November 5, 2022 by the Income-tax authorities at various locations of the Company and its Subsidiaries and Directors (Executive directors) under Section 132 of the Income-tax Act, 1961. Panchama's in respect of the above searches were prepared recording the search proceedings conducted by the various Income-tax officers at these locations of the Company, its Subsidiaries and Directors. Thereafter, proceedings have been initiated by the Revenue authorities under various provisions of Income Tax Act, 1961 and no demand has been raised till the date of approval of these financial statements against the Company or Group Companies. The Company is not able to estimate the liabilities under this search and hence no amount is provided for in the books on account as of year ended March 31, 2023.

## (39) Corporate social responsibility

Particular	(in Rupees Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Corporate social responsibility expenditure</b>		
Amount required to be spent as per Section 135 of the Companies Act, 2013	23.74	16.36
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) Purposes other than (i) above	23.74	16.36
(iii) nature of CSR activities	-	-
- Contribution to Charitable trusts	23.74	16.36
- Contribution to Government funds	-	-

## (40) Disclosure of Loans or advances to specified persons made to related parties which are repayable on demand :

Particulars	March 31, 2023		March 31, 2022	
	Amount	%	Amount	%
Loans to related parties	1,533.57	71%	444.50	41%
Advances to related parties	632.49	29%	638.64	59%
<b>Total</b>	<b>2,166.06</b>	<b>100%</b>	<b>1,083.14</b>	<b>100%</b>

## (41) Subsequent event :

A search was carried out on July 07, 2023 by the through the Intelligence Officer (IO), Directorate General of Goods and Service Tax Intelligence , Headquarters, New Delhi at the premises of the Company situated at /1, 15 and 16, Tala spur Khurd, Gulzar Factory, Near Mathura Bypass, Aligarh, Uttar Pradesh 20200 under sub-section (2) of Section 67 of the Central Goods and Service Tax Act, 2017, post the order of search the Company received Summons to remain present and submit documents as may be requested by DGGI. Since due to unavoidable circumstances, the representatives of the Company were not able to remain present, the Company has requested for extension of time to remain present. Thereafter, there is no communication from DGGI. The Company is not able to estimate the liability under this search.

(42) The financial statements were authorised for issue by the Company's Board of directors on July 31, 2023.

(43) Pursuant to year ending March 31, 2023 the Company has completed the Initial public offering of 8,205,128 equity shares of face value Rs 10 each at an issue price of Rs 585 per equity share, consisting of a fresh issue of 2,564,103 equity shares aggregating to Rs 1,500 million and an offer for sale of equity shares aggregating to Rs 3,300 million. The equity shares of the Company were listed on National Stock Exchange of India Limited and BSE Limited w.e.f July 04, 2023. The net proceeds from the fresh issue of the IPO would be utilized towards the following :

- Funding working capital requirements of the Company
- General corporate purpose

## (45) Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have 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 have 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,

(46) Previous year figures have been regrouped / reclassified to confirm to current year presentation.

**FOR MAPSS AND COMPANY**  
Chartered Accountants  
Firm's Registration Number: 012796C

**CA Gyan Chandra Misra**  
Partner  
Membership Number: 078183  
Place : Ghaziabad  
Date : July 31, 2023

For and on behalf of the Board of Directors of  
**HMA Agro Industries Limited**

CIN: U74110UP2008PLC034977

**Gulzar Ahmed**  
Chairman  
DIN : 01312305  
Place : Agra  
Date : July 31, 2023

**Wajid Ahmed**  
Managing Director  
DIN : 01312261  
Place : Agra

**Gulzeb Ahmed**  
Chief Financial Officer  
DIN: 0654660  
Place : Agra

**Nikhil Sundrani**  
Company Secretary  
Membership number : 53307  
Place : Agra