

MAPSS AND COMPANY

CHARTERED ACCOUNTANTS
C-40, Second Floor, Ten Tower
Above Indian Bank, Sec-15,
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INDEPENDENT AUDITOR'S REPORT

To the Members of HMA Agro Industries Limited

Opinion

We have audited the accompanying Consolidated financial statements of HMA Agro Industries Limited ("the Group Companies"), 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 "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated 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 group 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 Consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group Companies 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 Consolidated 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 Consolidated 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 Consolidated financial statements of the current period.

On the facts and circumstances of the Group 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 Group 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, Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated 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 Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated 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 Group 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 group 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 group 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 Consolidated financial statements, management is responsible for assessing the group 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 group or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the group financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated 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 Consolidated 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 Consolidated 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 group 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 Group'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 Consolidated 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 group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated 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 Consolidated 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.

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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 group 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 Consolidated 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 Consolidated financial statements of the group 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 group's internal financial controls with reference to Consolidated 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 group 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 group 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 group has not made any provision against the pending litigation as the group believes that these claims are not tenable and hence no provisioning made by the group.
 - iii. There were no amounts as on 31st March 2023, which were required to be transferred to the Investor Education and Protection Fund by the group.
 - 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



funds or share premium or any other sources or kind of funds) by the group 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 group ("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 group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group 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. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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


CA GYAN CHANDRA MISRA
Partner
Membership No. 078183
UDIN: 23078183BGVUVJ2049

Date: 31-07-2023
Place: Ghaziabad

HMA Agro Industries Limited

Consolidated Balance sheet as at March 31, 2023

(in Rupees Million)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
(A) Non-current assets			
(a) Property, plant and equipment	(3)	2,598.68	1,401.32
(b) Capital work in progress	(3.1)	581.84	916.39
(c) Goodwill	(4)	6.23	6.23
(d) Financial assets			
(i) Other financial assets	(9)	339.70	330.31
(e) Income tax assets		123.10	75.83
(f) Deferred tax assets (net)	(10)	81.79	24.19
(g) Other non current assets	(11)	431.75	422.70
Total non-current assets		4,163.09	3,176.97
(B) Current assets			
(a) Inventories	(5)	1,285.45	1,367.53
(b) Financial assets			
(i) Trade receivables	(6)	2,984.82	2,897.46
(ii) Cash and cash equivalents	(8)	689.04	185.28
(iii) Bank balances other than (ii) above	(7)	49.68	254.94
(iv) Other financial assets	(9)	33.90	44.85
(c) Other current assets	(11)	783.62	632.10
Total current assets		5,826.51	5,382.16
Total assets		9,989.60	8,559.13
EQUITY AND LIABILITIES			
(A) Equity			
(a) Share capital	(12)	475.13	475.13
(b) Other equity	(13)	4,267.42	3,269.52
(c) Non Controlling Interest		202.32	171.90
Total equity		4,944.87	3,916.55
(B) Liabilities			
(I) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	(14)	422.50	521.60
(ii) Other financial liabilities	(16)	5.39	-
(b) Provisions	(18)	35.32	16.05
Total non-current liabilities		463.21	537.65
(II) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	(14)	3,010.69	2,778.57
(ii) Trade payables	(15)		
1. Total outstanding dues of micro enterprises and small enterprises		-	-
2. Total outstanding dues of creditors other than micro enterprises and small enterprises		870.10	794.55
(iii) Other financial liabilities	(16)	220.30	40.71
(b) Other liabilities	(17)	387.09	476.21
(c) Provisions	(18)	3.66	1.50
(d) Current tax liabilities		89.68	13.39
Total current liabilities		4,581.52	4,104.93
Total Equity and Liabilities		9,989.60	8,559.13

Significant accounting policies

1 - 2

The accompanying notes from 1 to 44 form an integral part of the consolidated 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 Ahmad

Chairman

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

Consolidated statement of profit and loss for the year ended ended March 31, 2023

(in Rupees Million)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
(1) Income			
(a) Revenue from operations	(19)	32,092.19	30,831.91
(b) Other income	(20)	468.72	557.85
Total Income		32,560.91	31,389.76
(2) Expenses			
(a) Cost of raw materials consumed	(21)	24,603.20	24,214.49
(b) Changes in inventories	(22)	82.07	(99.06)
(c) Employee benefits expense	(23)	965.27	1,056.65
(d) Finance costs	(24)	111.68	65.65
(e) Depreciation and amortization expense	(25)	176.42	106.67
(f) Other expenses	(26)	4,886.74	4,459.24
Total Expenses		30,825.38	29,803.64
(3) Profit before tax (1-2)		1,735.53	1,586.12
(4) Tax expense	(36)		
(a) Current tax		521.13	411.87
(b) Tax expense relating to prior years		-	10.15
(c) Deferred tax charge / (credit)		(20.26)	(0.73)
Total tax expense		500.87	421.29
(5) Profit for the year		1,234.66	1,164.83
(6) Other comprehensive income			
(1) Items that will be reclassified to Profit / (Loss)			
- Net change in value of derivatives designated as cash flow hedges		(140.10)	-
- Deferred tax impact on above		35.26	-
(2) Items that will not be reclassified subsequently to Profit			
- Remeasurements of defined benefit liability		(8.55)	1.21
- Tax impact on above		2.08	(0.30)
Total other comprehensive income		(111.31)	0.91
(7) Total comprehensive income for the year		1,123.35	1,165.74
Profit for the year attributable to:			
Equity holders of the parent		1,204.12	1,147.53
Non-Controlling Interest		30.54	17.30
Total profit for the year		1,234.66	1,164.83
Other comprehensive income for the year attributable to:			
Equity holders of the parent		(111.19)	0.76
Non-Controlling Interest		(0.12)	0.15
Total other comprehensive income		(111.31)	0.91
Total comprehensive income for the year attributable to:			
Equity holders of the parent		1,092.93	1,148.28
Non-Controlling Interest		30.42	17.46
Total comprehensive income for the year attributable		1,123.35	1,165.74
Total			
Earnings per share (EPS) (Rupee per share)	(35)		
(1) Basic EPS		25.34	24.39
(2) Diluted EPS		25.34	24.39

Significant accounting policies

1 - 2

The accompanying notes from 1 to 44 form an integral part of the consolidated 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

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Chairman
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

Consolidated 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
(A) Cashflows from operating activities		
Profit before tax	1,735.53	1,586.12
Adjustment for:		
Depreciation and amortization	176.42	106.67
Liabilities no longer required written back	-	(18.19)
Unrealised Fair value (gain)/loss on forward contracts (net)	91.04	(29.14)
Interest expenses	110.63	63.45
Interest on bank deposits	(64.14)	(19.96)
Profit on sale of assets (net)	(0.51)	(0.05)
Unrealised foreign exchange loss/(gain) (net)	(24.29)	(441.90)
Operating cash flow before working capital changes	2,024.68	1,247.00
Adjustment for changes in working capital:		
(Increase) in trade receivables	(63.06)	(888.91)
Decrease /(Increase) in inventories	82.08	(99.32)
(Increase) in other financial assets	(24.12)	(2.88)
(Increase) in other assets	(151.52)	(42.91)
Increase in trade payables	75.55	32.37
(Decrease) in other financial liabilities	(14.06)	(30.58)
Increase in current and non-current provisions	12.89	4.81
(Decrease) in other current liabilities	(89.12)	(72.73)
Cash generated from operations	1,853.32	146.85
Taxes paid (net of refunds)	(492.11)	(466.49)
Net cashflows from operating activities	1,361.21	(319.64)
(B) Cashflows from investing activities		
Purchase of property, plant and equipment and capital work in progress	(1,088.72)	(819.66)
Capital advances paid	(9.05)	134.85
Payment towards acquisition of business, net of cash acquired (Refer note 34)	-	(362.37)
Movement in bank deposits with maturity greater than 3 months (net)	201.80	(408.45)
Interest received on fixed deposit	64.14	20.46
Net cashflows from investing activities	(831.83)	(1,435.17)
(C) Cashflows from financing activities		
Borrowings (net)	133.01	1,479.22
Government grants received	50.00	-
Interest paid	(113.60)	(55.98)
Dividend paid	(95.03)	-
Net cashflows from financing activities	(25.62)	1,423.24
Net (decrease)/increase in cash and cash equivalents (A+B+C)	503.76	(331.57)
Cash and cash equivalents at the beginning of the year	185.28	516.85
Cash and cash equivalents at the end of the year	689.04	185.28
Cash and cash equivalents comprise of:		
Cash in hand	28.46	24.32
Balance with banks:		
- In current accounts	651.85	147.31
- Cheque in hand	8.48	13.55
- In fixed deposit account with original maturity of 3 months or less	0.25	0.10
Total cash and cash equivalents	689.04	185.28

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
UDIN :

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

CIN: U74110UP2008PLC034977

Gulzar Ahmad
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

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(A) Equity share capital

(in Rupees Million)

Particulars	Amount
Balance as at April 1, 2021	37.27
Changes in equity share capital during the year	437.86
Balance as at March 31, 2022	475.13
Balance as at April 1, 2022	475.13
Changes in equity share capital during the year	-
Balance as at March 31, 2023	475.13

(B) Other equity

(in Rupees Million)

Particulars	Reserve and Surplus					Effective portion of Cash flow hedges	Attributable to Parent	Attributable to Non controlling interest share holders	Total equity
	General Reserve	Capital Reserve	Securities Premium	Retained earnings	Remeasurement of defined employee benefit plans				
Balance as at April 1, 2021	600.00	25.32	34.20	1,899.13	0.45	-	2,559.10	4.85	2,563.94
On account of business combination (Refer note 34)	-	-	-	-	-	-	-	149.59	149.59
Bonus shares issued to shareholder (Refer note 12)	(403.67)	-	(34.20)	-	-	-	(437.87)	-	(437.87)
Profit for the year	-	-	-	1,147.53	0.76	-	1,148.29	17.46	1,165.74
Balance as at March 31, 2022	196.33	25.32	-	3,046.66	1.21	-	3,269.52	171.90	3,441.42
Balance as at April 1, 2022	196.33	25.32	-	3,046.66	1.21	-	3,269.52	171.90	3,441.42
Profit for the year	-	-	-	1,204.12	(6.36)	(104.84)	1,092.93	30.42	1,123.35
Dividend paid (Refer note 12(g))	-	-	-	(95.03)	-	-	(95.03)	-	(95.03)
Balance as at March 31, 2023	196.33	25.32	-	4,155.75	(5.15)	(104.84)	4,267.42	202.32	4,469.74

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.

Significant accounting policies

1 - 2

The accompanying notes from 1 to 44 form an integral part of the consolidated financial statements

As per our report of even date attached.

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

CA Gyan Chandra Mishra - 012796C
Partner
Membership Number: 103145
Place: Ghaziabad
Date: July 31, 2023
UDIN:

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

CIN: U74110UP2008PLC034977

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

Nikhil Sundrani
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Wajid Ahmed
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Date: July 31, 2023

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DIN: 06546660
Place: Agra
Date: July 31, 2023

HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

1 Corporate information

HMA Agro Industries Limited ("the Group") is domiciled and incorporated in India and it is an unlisted Group. The registered office of the Group is situated at 18A-5-3 Taj view Crossing, Fatehabad Road, Agra – 282 001, Uttar Pradesh. The Group 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 Consolidated Financial Statements of the Group 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 followed by Group

2 Basis of preparation

The Consolidated financial statements of the Group 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.

Basis of Consolidation

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.01 Business Combination

The Group accounts for each business combination by applying the acquisition method. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.

The Group measures goodwill as of the applicable acquisition date at the fair value of the consideration transferred less the net recognized amount of the identifiable assets acquired and liabilities (including contingent liabilities in case such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably) assumed. When the fair value of the net identifiable assets acquired and liabilities assumed exceeds the consideration transferred, a bargain purchase gain is recognized as capital reserve.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. Consideration transferred does not include amounts related to settlement of pre-existing relationships.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise subsequent changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

Transaction costs that the Group incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees and other professional and consulting fees, are expensed as incurred.

Any goodwill that arises on account of such business combination is tested annually for impairment.

2.02 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 Group 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.

Capital work in progress includes cost of PPE under development as at the Balance Sheet date and is carried at cost, comprising of direct cost and directly attributable cost.



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

Depreciation

Depreciation on property, plant and equipment is provided on written down value 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	-

2.03 Impairment of property, plant and equipment

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Groups' each class of the property, plant and equipment. 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 Accounting for Joint Operations

The Group has an interest in joint operation. It recognises in relation to its interest in a joint operation its:

- ▶ Assets, including its share of any assets held jointly
- ▶ Liabilities, including its share of any liabilities incurred jointly
- ▶ Revenue from the sale of its share of the output arising from the joint operation
- ▶ Share of the revenue from the sale of the output by the joint operation
- ▶ Expenses, including its share of any expenses incurred jointly

2.04 Current versus non-current classification

The Group 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.

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 Group classifies all other liabilities as non-current.

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

2.05 Fair value measurement

The Group 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 Group. 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 Group 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

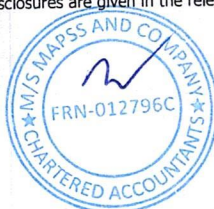
For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amount approximates fair value due to short term maturity of these instruments.

The Group 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 Group 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 30)
- ▶ Financial instruments (including those carried at amortised cost) (Note 30)



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

2.06 Revenue from contract with customers

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

Revenue from inter-Group 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.

2.07 Other income :

Interest income:

Interest income is recognised using effective interest rate method.

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.

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.

2.08 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 : 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.

► Packing material and stores & spares : 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.

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.

2.09 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.

2.10 Borrowing Cost :

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

2.11 Employee Benefits :

A.Non funded Gratuity Obligations : The Company accounts for employee benefit expense based on the independent Actuarial professional on every reporting date. The gratuity plan is a non funded plan and the Company makes provision in books of account based on the actuarial report.

B. Defined Contribution Plans : 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 or any constructive obligation.



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

2.12 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 Group 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 Group does not recognise a contingent liability but discloses its existence in the financial statements.

2.13 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.

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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group 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 2.06 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 Group'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 Group 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 Group's financial assets at amortised cost includes 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 Group 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 derivative forwards which the Group has taken to hedge its foreign exchange reserves. Gain/loss on such transactions are recognised in the statement of profit and loss on every reporting period.



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

2.13 Financial Instruments (continued)

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group 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 Group applies a simplified approach in calculating estimated credit loss. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

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.

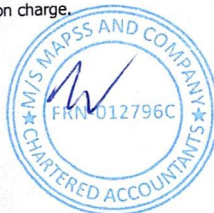
Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity till that time remains and is recognised in the statement of profit and loss when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

2.14 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. The Group reduces the carrying amount of the asset to the extent of grant received. The grant is then recognised in profit or loss over the useful life of the depreciable asset by way of a reduced depreciation charge.



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- A signature in the middle, possibly "Animesh".
- A signature on the right, possibly "Animesh".

HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

2.15 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.

2.16 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 Group'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.

2.17 Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group'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 Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.18 Significant accounting estimates, judgements and assumptions

The preparation of the Group's consolidated financial statements is 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 grouping 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 consolidated 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 Group's accounting policies, management has made the following judgements which have significant effect on the amounts Recognized in the consolidated 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 Group 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 Group as it is not possible to predict the outcome of pending matters with accuracy.

c. Fair value measurements and valuation processes : Some of the Group's 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 Group used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group 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 Consolidated Financial statements for the year ended March 31, 2023

(in Rupees Million)

(3) Property, plant and equipment

Particulars	Land (Freehold)	Building	Vehicles	Plant and Machinery	Office Equipment	Total
Gross carrying amount						
As at April 01, 2022	667.36	450.39	64.02	569.57	27.41	1,778.75
Additions	0.66	353.64	52.89	822.78	151.31	1,381.28
Disposals	-	-	(4.06)	(3.47)	-	(7.53)
As at March 31, 2023	668.02	804.03	112.85	1,388.88	178.72	3,152.50
Accumulated depreciation						
As at April 01, 2022	-	70.75	42.22	252.63	11.80	377.40
Charge for the year	-	52.80	11.80	96.82	15.00	176.42
On disposals	-	-	-	-	-	-
As at March 31, 2023	-	123.55	54.02	349.45	26.80	553.82
Net carrying amount as at March 31, 2023	668.02	680.48	58.83	1,039.43	151.92	2,598.68

Gross carrying amount						
As at April 01, 2021	425.62	214.83	54.04	479.53	17.96	1,191.98
On account of business combination (Refer note 34)	241.48	213.58	2.37	87.02	1.32	545.77
Additions	0.26	24.08	7.61	7.28	8.13	47.36
Disposals	-	(2.10)	-	(4.26)	-	(6.36)
As at March 31, 2022	667.36	450.39	64.02	569.57	27.41	1,778.75
Accumulated depreciation						
As at April 01, 2021	-	42.32	34.75	188.91	6.81	272.79
Charge for the year	-	28.43	7.47	65.78	4.99	106.67
On disposals	-	-	-	(2.06)	-	(2.06)
As at March 31, 2022	-	70.75	42.22	252.63	11.80	377.40
Net carrying amount as at March 31, 2022	667.36	379.64	21.80	316.94	15.61	1,401.35

Note : Immovable properties are held in the name of the Group.

(3.1) Capital work in progress

(in Rupees Million)

Particulars	Total
As at April 01, 2021	136.39
On account of business combination (Refer note 34)	3.47
Incurred during the year	780.00
Capitalised during the year	(3.47)
As at March 31, 2022	916.39
Incurred during the year	967.26
Capitalised during the year	(1,301.81)
As at March 31, 2023	581.84

During the previous period the Group has received government grants to the tune of Rs 50 million against Capital work in progress. These Grants are reduced from the cost of assets and disclosed as net. The Company has complied with all the underlying conditions relating to the Government grants.

Capital work-in-progress includes :

(in Rupees Million)

Particulars	Year Ended	
	March 31, 2023	March 31, 2022
Plant & Machinery	581.84	684.88
Building	-	231.51
Total	581.84	916.39

Ageing of projects in progress

(in Rupees Million)

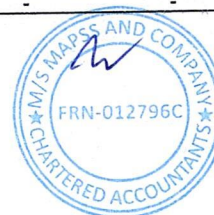
March 31, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	581.84	-	-	-	581.84
Total	581.84	-	-	-	581.84
March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	780.00	136.39	-	-	916.39
Total	780.00	136.39	-	-	916.39

Note : The Group has assessed that there are no Projects which are temporarily suspended or delayed.

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(4) Goodwill on consolidation

(in Rupees Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Goodwill at the beginning of the year	6.23	6.23
Add: Recognised during the year	-	-
Goodwill at the end of the year	6.23	6.23

Allocation of goodwill to cash-generating units

The subsidiary is identified as a separate cash generating unit. Goodwill has been allocated for impairment testing purposes to the cash-generating units.

The carrying amount of goodwill was allocated to major cash-generating units as follows:

(in Rupees Million)

Particulars	As at March 31, 2023	As at March 31, 2021
HMA Food Export Private Limited	6.23	6.23
Total	6.23	6.23

Cash-generating units to which goodwill is allocated are tested for impairment annually at each reporting date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit. The Company has evaluated that there is no impairment of goodwill is required in respect of above entity.

An analysis of the sensitivity of the Computation to a change in key parameters (Operating margin, discount rate and long term growth rate) based on reasonable assumptions did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	As at March 31, 2023	As at March 31, 2022
(5) Inventories (Valued at lower of cost and net realisable value)		
Packing Materials	33.81	44.88
Finished Goods	1,177.70	1,284.81
Stores & Spares and Other Materials	74	37.84
Total Inventories	1,285.45	1,367.53

(6) Trade receivables :		
Considered good - Unsecured	2,942.80	2,897.46
- Third Party	42.02	-
- Related parties (Refer note 28)	-	-
Total trade receivables	2,984.82	2,897.46

*There are no dues from Directors or other officers of the group either severally or jointly with any other person or from firms or private companies in which any director is a partner, a director, or a member.

** There are no trade receivables which are secured in nature. Also the Company has assessed that there is no trade receivables having significant increase in credit risk.

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	
Trade receivables						
Undisputed Trade receivables - considered good	2,954.51	-	-	29.50	0.81	2,984.82
(i) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(ii) 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	-	-	-	-	-	-
	2,954.51	-	-	29.50	0.81	2,984.82

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	
Trade receivables						
Undisputed Trade receivables - considered good	2,862.94	-	23.58	0.59	10.35	2,897.46
(i) 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	-	-	-	-	-	-
	2,862.94	-	23.58	0.59	10.35	2,897.46

(7) Other bank balances

Current		
Bank Deposit with maturity less than twelve months*	49.68	254.94
	49.68	254.94

*Above deposits are provided as lien against working capital demand loan taken from financial institutions.

(8) Cash and cash equivalents

Cash on hand	28.46	24.32
Balance with banks		
In current accounts	651.85	147.31
Cheque in hand	8.48	13.55
In fixed deposit account with original maturity of 3 months or less	0.25	0.10
Total cash and cash equivalents	689.04	185.28

(9) Other financial assets

Non-current financial assets		
Capital advances*	30.05	30.75
Security deposit*	46.77	40.15
Bank deposit provided as lien against borrowings**	262.88	259.41
Total non-current financial assets	339.70	330.31

*Pertains to advances given for purchase of immovable properties.

**Balance amounts are used as collateral for issuing bank guarantees which are given to various Government authorities.

Current financial assets		
Derivative asset - forward contract (Measured at fair value through profit and loss)	-	29.14
Interest accrued but not due on bank deposits	18.22	-
Security deposit	15.68	15.71
Total current financial assets	33.90	44.85



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(in Rupees Million)

(10) Deferred tax assets (net)

Particulars	As at			
	March 31, 2023	March 31, 2022		
Significant components of deferred tax assets (net)				
Deferred tax assets/ (liabilities)				
Difference between book and tax value of property, plant and	21.83	28.38		
Derivative asset	50.83	(7.34)		
Gratuity expenses	9.13	3.15		
Others*	-	-		
Total Deferred tax assets	81.79	24.19		
Movements in deferred tax assets/(liabilities)				
Particulars	Property, plant & equipment and intangible assets	Gratuity	Derivative Instruments	Total
At April 1, 2021	17.18	-	-	17.18
On account of business combination (Refer note 34)	6.58	-	-	6.58
(Charged) / Credited				
- to profit or loss	4.62	3.45	(7.34)	0.73
- to other comprehensive income	-	(0.30)	-	(0.30)
At March 31, 2022	28.38	3.15	(7.34)	24.19
At April 1, 2022	28.38	3.15	(7.34)	24.19
(Charged) / Credited				
- to profit or loss	(6.55)	3.90	22.91	20.26
- to other comprehensive income	-	2.08	35.26	37.34
At March 31, 2023	21.83	9.13	50.83	81.79

*Pertains to losses of the current period of subsidiary Company.

(11) Other assets

Particulars	As at	
	March 31, 2023	March 31, 2022
Non-Current assets		
Capital advances*	431.75	422.70
Total non-current assets	431.75	422.70
Current assets		
Prepaid expenses*	41.32	25.64
Advance to employees	1.38	-
Advances to supplier	228.46	305.52
Advances to related parties (Refer note 28)	0.01	-
Balance with government authorities	496.99	285.88
Duty drawback receivable	15.46	15.06
Total current assets	783.62	632.10

*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.

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	As at	
	March 31, 2023	March 31, 2022
(12) Equity share capital		
Authorised		
70,000,000 equity shares of face value Rs. 10 each	700.00	700.00
(March 31, 2022 : 20,000,000 equity shares of face value Rs. 10 each)		
	700.00	700.00
Issued, subscribed and fully paid-up		
47,512,875 equity share of face value Rs.10 each fully paid up	475.13	475.13
(March 31, 2022 :47,512,875 equity share of face value Rs.10 each fully paid up)		
	475.13	475.13

(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	Number of shares	Amount
Equity shares				
At the commencement of the year	4,75,12,875	475.13	37,26,500	37.27
Issued during the year (Refer note below)	-	-	4,37,86,375	437.86
At the end of the year	4,75,12,875	475.13	4,75,12,875	475.13

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	
	% of total shares in the class	Number of shares	% of total shares in the class	Number of shares
Equity shares of Rs. 10 each fully paid-up held by				
Walid Ahmed	32.00%	1,52,04,120	32.00%	1,52,04,120
Mohd Ashraf Oureshi	16.00%	76,02,060	16.00%	76,02,060
Mohd Mehmood Oureshi	16.00%	76,02,060	16.00%	76,02,060
Zulfiquar Ahmed Oureshi	16.00%	76,02,060	16.00%	76,02,060
Gulzar Ahmad	16.00%	76,02,060	16.00%	76,02,060

(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
Walid Ahmed	1,52,04,120	-	1,52,04,120	32%	-
Mohd Ashraf Oureshi	76,02,060	-	76,02,060	16%	-
Mohd Mehmood Oureshi	76,02,060	-	76,02,060	16%	-
Zulfiquar Ahmed Oureshi	76,02,060	-	76,02,060	16%	-
Gulzar Ahmad	76,02,060	-	76,02,060	16%	-
Pravez Alam	18,99,240	-	18,99,240	4%	-
Gulzeb Ahmad	1,275	-	1,275	0%	-
Total	4,75,12,875	-	4,75,12,875	100%	-

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
Walid Ahmed	11,92,480	1,40,11,640	1,52,04,120	32.00%	-
Mohd Ashraf Oureshi	5,96,240	70,05,820	76,02,060	16.00%	-
Mohd Mehmood Oureshi	5,96,240	70,05,820	76,02,060	16.00%	-
Zulfiquar Ahmed Oureshi	5,96,240	70,05,820	76,02,060	16.00%	-
Gulzar Ahmad	5,96,240	70,05,820	76,02,060	16.00%	-
Pravez Alam	1,48,960	17,50,280	18,99,240	4.00%	-
Gulzeb Ahmad	100	1,175	1,275	0.00%	-
Total	37,26,500	4,37,86,375	4,75,12,875	100%	-

(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.

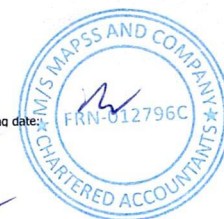
(e) There were no shares allotted pursuant to contract without payment being received in cash or any shares bought back.

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

(g) No dividend is declared by the Company during the year ended March 31, 2023 and year ended March 31, 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	As at	
	March 31, 2022	March 31, 2021
Bonus shares issued (number of shares)	4,37,86,375	-
Amount capitalised (Rs in Millions)	437.86	-



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Walid Ahmed

Gulzar Ahmad

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(13) Other equity		
General Reserve	196.33	196.33
Capital Reserve	25.32	25.32
Securities Premium	-	-
Retained earnings	4,156.46	3,047.38
Other comprehensive income	(109.99)	1.21
Total other equity	4,268.12	3,270.24
Movement of other equity		
General Reserve		
At the commencement of the year	196.33	600.00
Less: Bonus shares issued to shareholder	-	(403.67)
At the end of the year	196.33	196.33
Capital Reserve		
At the commencement of the year	25.32	25.32
At the end of the year	25.32	25.32
Securities Premium		
At the commencement of the year	-	34.20
Less: Bonus shares issued to shareholder	-	(34.20)
At the end of the year	-	-
Retained earnings		
At the commencement of the year	3,047.37	1,899.84
Profit for the year	1,204.12	1,147.53
Less: Dividend adjusted for previous year	(95.03)	-
At the end of the year	4,156.46	3,047.37
Other comprehensive income		
Opening balance	1.20	0.45
Movement	(111.19)	0.76
Closing balance	(109.99)	1.20

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	As at	As at
	March 31, 2023	March 31, 2022
(14) Borrowings		
Non Current		
Term loan from bank (Refer note 31)	422.50	521.60
	<u>422.50</u>	<u>521.60</u>
Current		
Secured:		
- Banks - working capital demand loans*	2,843.58	2,272.15
- Banks - current maturities of long term debts	130.00	97.50
- Banks - bill purchase**	12.78	379.50
Unsecured:		
- Others	19.91	26.00
- Intercompany loan		
- Related parties (Refer note 28)	4.42	3.42
	<u>3,010.69</u>	<u>2,778.57</u>

*Working capital demand loans are secured against raw materials, deposits with bank, book debts and finished goods

**Pertains to bill discounting with banks

Refer note 31 on details of security nature of payment and indicative interest rate against respective loans.

(15) Trade payables

Current trade payables

- Total outstanding dues of micro enterprises and small enterprises (Refer note below)	840.78	770.88
- Total outstanding dues of creditors other than micro enterprises and small enterprises	29.32	23.67
- Related parties (Refer note 28)		
Total current trade payables	<u>870.10</u>	<u>794.55</u>

The Group 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 Group 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 payables

March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		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	-	#VALUE!	8.01	2.28	0.14	#VALUE!
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	-	#VALUE!	8.01	2.28	0.14	#VALUE!

March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		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	-	785.23	2.57	3.80	2.95	794.55
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	-	785.23	2.57	3.80	2.95	794.55

(16) Other financial liabilities

Non-Current financial liabilities

Derivative liability - forward contract (Measured at fair value through profit and loss)	5	-
Total non-current financial liabilities	<u>5</u>	<u>-</u>

Current financial liabilities

Derivative liability - forward contract (Measured at fair value through profit and loss)	196.61	-
Employee related obligations	19.19	33.24
Interest accrued and not due	4.50	7.47
Total current financial liabilities	<u>220.30</u>	<u>40.71</u>

(17) Other liabilities

Current liabilities

Advances from customer*	327.63	406.78
Advances from related parties (Refer note 28)	0.78	-
Statutory dues payable**	41.64	67.37
Other liabilities	17.04	2.06
Total current liabilities	<u>387.09</u>	<u>476.21</u>

*pertains to advances received against order in hand, which will be adjusted as and when goods are billed to the customer.
**Includes liability towards Tax deducted at source, provident fund contribution and Professional tax

(18) Provisions

Non Current provisions

Gratuity (Refer note 27)	35.32	16.05
Total non current provisions	<u>35.32</u>	<u>16.05</u>

Current provisions

Gratuity (Refer note 27)	3.66	1.50
Total current provisions	<u>3.66</u>	<u>1.50</u>



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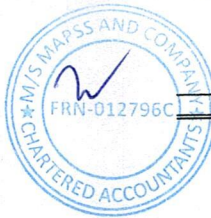
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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(19) Revenue from operations		
Sale of products		
- Domestic sales	2,328.55	4,095.75
- Export sales	29,792.89	26,749.25
Less : Discount	(29.25)	(13.09)
Total Revenue from operations	32,092.19	30,831.91
(20) Other income		
Interest on :		
- Bank deposits	64.14	19.96
- Others	1.22	0.00
Foreign exchange gain, net	308.89	441.90
Profit on sale of property plant and equipment	0.51	0.05
Profit on derivative forwards measured through profit and loss	-	29.14
Duty drawback	59.87	40.51
Liabilities no longer required written back	-	18.19
Miscellaneous income	34.09	8.10
Total other income	468.72	557.85
(21) Cost of raw material consumed		
Inventory at the beginning of the year	-	-
Add : Purchased	24,603.20	24,214.49
Less : raw material at the end of the year	-	-
Cost of raw material consumed	24,603.20	24,214.49
(22) Changes in inventories		
At the beginning of the year		
Finished Goods	1,367.52	1,268.47
At the end of the year		
Finished Goods	(1,285.45)	(1,367.53)
Change	82.07	(99.06)
(23) Employee benefits expenses		
Salaries, wages and bonus	936.47	1,038.64
Gratuity expense (Refer note 27)	12.88	5.12
Contribution to provident fund (Refer note 27)	9.41	8.66
Staff welfare expense	6.51	4.23
Total employee benefits expenses	965.27	1,056.65
(24) Finance costs		
Interest on :		
- working capital demand loan and term loans	110.63	63.45
- statutory dues	1.05	2.20
Total finance cost	111.68	65.65
(25) Depreciation expense		
Depreciation of property, plant and equipment (Refer note 3)	176.42	106.67
Total depreciation expense	176.42	106.67



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
-------------	------------------------------	------------------------------

(26) Other expenses

Freight charges	1,954.89	2,072.33
Power and fuel	596.09	599.56
Cooling and freezing charges	535.43	121.13
Packaging expenses	523.34	405.17
Sales commission	423.99	389.68
Loss on derivative forwards measured through profit and loss	91.04	-
Repairs and maintenance :		
- Plant & machinery	185.38	210.34
- Building	26.24	16.95
Export charges	186.33	182.91
Consumable expenses	74.11	89.30
Rates and taxes	62.45	59.71
Legal and professional charges	43.95	46.15
Security charges	26.78	22.88
Corporate social responsibility (Refer note 39)	25.65	16.36
Bank charges	21.22	36.88
Travelling and conveyance	36.59	5.94
Cleaning expenses	18.44	15.60
Insurance charges	10.07	10.71
Vehicle expenses	5.46	3.27
Communication expenses	4.51	4.43
Printing & Stationery	2.50	8.63
Facility utilisation charges and rent	1.82	105.84
Sundry balances write off	0.01	4.27
Auditors remuneration (Refer note 26.1)	0.89	0.89
Miscellaneous expenses	29.56	30.31
Total other expenses	4,886.74	4,459.24
Payment to auditors :		
For statutory audit	0.89	0.89
Total payment to auditors	0.89	0.89



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(27) 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.

(Rs in Million)		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to provident fund	9.41	8.66
Included in 'Contribution to provident fund under employee benefits expense (Refer Note 23)		

(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 books of account based on the actuarial report.

Actuarial Assumptions

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20%	6.30%
Future salary increases	5.00%	5.00%
Attrition rate	10.00%	10.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate
Weighted average duration of the obligation	7.5 Years	8 Years

Notes:

- Discount rate: The discount rate is based on the prevailing market yields
- Salary escalation rate: The estimates of future salary increases
- Assumption regarding future mortality experience are set in accordance with the statistics published by the Life Insurance Corporation of India.

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

(Rs in Million)		
Change in the present value of obligation	As at March 31, 2023	As at March 31, 2022
Present value of obligation at the beginning of the year	17.56	13.65
Interest cost	1.21	0.89
Current service cost	1.76	4.23
Past service cost	9.91	-
Remeasurement due to		
Actuarial loss /(gain) arising from change in financial assumptions	(0.16)	(0.56)
Actuarial loss /(gain) arising on account of experience changes	0.07	(0.65)
Actuarial loss /(gain) arising on account of demographical assumptions	8.65	-
Present value of obligation at the end of the year	39.00	17.56
Reconciliation of present value of defined benefit obligation and the fair value of assets		
	As at March 31, 2023	As at March 31, 2022
Present value of funded obligation at the end of the year	39.00	17.56
Deficit of funded plan	39.00	17.56



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(Rs in Million)

(ii)	Amount recognised in the statement of profit and loss	Year ended March 31, 2023	Year ended March 31, 2022
	Current service cost	1.76	4.23
	Past service cost	9.91	-
	Interest cost	1.21	0.89
	Total expense recognized in the statement of profit and loss	12.88	5.12

	Amount recognised in other comprehensive income	Year ended March 31, 2023	Year ended March 31, 2022
	Remeasurements during the year due to		
	Changes in financial assumptions	(0.16)	(0.56)
	Changes in demographic assumptions	8.65	-
	Experience adjustments	0.07	(0.65)
	Amount recognised in other comprehensive income during the year	8.56	(1.21)

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate (Increases 1%)	(2.72)	(1.28)
Discount rate (Decreases 1%)	3.11	1.47
Salary increase rate (Increases 1%)	3.15	0.08
Salary increase rate (Decreases 1%)	(2.80)	(0.09)
Withdrawal Rate (Increases 1%)	0.21	(0.03)
Withdrawal Rate (Decreases 1%)	(0.06)	0.03
Mortality Rate (increase in expected lifetime by 1 year)	(0.01)	(0.00)
Mortality Rate (increase in expected lifetime by 3 year)	(0.02)	(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 Consolidated Financial statements for the year ended March 31, 2023

(28) Related party transactions

(a) Related parties

(i) Enterprises owned or significantly influenced by Key Management Personnel

Sr No	Name of the party
1	Federal Agro Industries Private Limited (upto to March 31, 2021)
2	HMA Cattle Farming Private Limited
3	Gausia Cold Storage Private Limited
4	HMA Consumer Private Limited
5	HMA Hygienic Foods Industries Private Limited
6	HMA Leather Export Private Limited
7	Tai View Builder and Promoters Private Limited
8	Tai View Construction Private Limited
9	Aqra Better Homes LLP
10	Black Gold Tanners

(ii) 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	Mohammad Kamil Qureshi (upto. August 01, 2019)	Director
6	Nikhil Sundrani (w.e.f. October 04, 2021)	Company secretary

(iii) Relatives of Key management personal

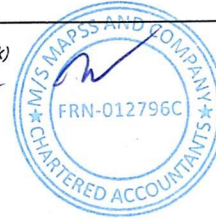
Sr No	Name of the party
1	Zulfiqar Ahmed Qureshi
2	Mohammad Kamil Qureshi
3	Parvez Alam
4	Mohammad Ashraf Qureshi
5	Mohammad Mehmood Qureshi
6	Nafees Bequm
7	Gulzair Ahmed
8	Zainul Ahmad
9	Gulam Habib

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(28) Related party transactions (continued)
(b) Transaction and balances

(Rs in Million)

Sr. No	Particulars	March 31, 2023	March 31, 2022
A	Transactions		
1	Facility utilisation charges		
	Federal Agro Industries Private Limited	-	-
2	Rent		
	HMA Cattle Farming Private Limited	-	-
	Gausia Cold Storage Private Limited	-	-
	Gulzar Ahmad	0.04	0.04
	Mohammad Ashraf Oureshi	0.04	0.04
	Zulfiqar Ahmed Oureshi	0.04	0.04
	Wajid Ahmed	0.07	0.07
	Mohammad Kamil Oureshi	0.04	0.04
	Parvez Alam	0.04	0.04
	Nafees Bequm	0.04	0.04
	Mohammad Mehmood Oureshi	0.04	0.04
3	Cooling charges		
	Gausia Cold Storage Private Limited	-	8.31
4	Commission on sales		
	Mohammad Ashraf Oureshi	-	36.69
5	Sale of Products		
	HMA Leather Export Private Limited	42.61	30.82
	Black Gold Tanners	19.26	-
6	Purchase of raw material		
	HMA Leather Export Private Limited	4.67	41.38
7	Remuneration		
	Gulzar Ahmad	18.00	16.50
	Zulfiqar Ahmed Oureshi	6.00	1.00
	Wajid Ahmed	18.00	16.50
	Mohammad Kamil Oureshi	18.00	16.50
	Gulzeb Ahmed	12.01	11.10
	Parvez Alam	18.00	16.50
	Mohammad Mehmood Oureshi	18.00	16.50
	Gulzair Ahmed	5.30	1.20
	Zainul Ahmad	-	1.20
	Gulam Habib	-	1.20
	Nikhil Sundrani	0.42	-
8	Reimbursement of expense incurred on behalf of subsidiary		
	HMA Leather Export Private Limited	-	0.36
	Gausia Cold Storage Pvt. Ltd	-	4.16
	Mohammad Mehmood Oureshi	1.05	-
9	Advance given to related parties		
	HMA Leather Export Private Limited	0.05	-
	Mohammad Mehmood Oureshi	0.01	-
	Gulzar Ahmad	10.98	-
	Zulfiqar Ahmad Qurashi	-	-
10	Advances received back from related parties		
	HMA Hygienic Foods Industries Private Limited	-	0.75
	HMA Leather Export Private Limited	0.05	-
	Gulzar Ahmad	11.68	-
11	Borrowings taken from related parties		
	Mohammad Ashraf Oureshi	1.42	-
	Wajid Ahmed	1.00	-
	Gulzar Ahmad	2.00	-
12	Borrowings repaid to related parties		
	Gulzeb Ahmed	-	1.80
	Mohammad Kamil Oureshi	-	2.89
	Mohammad Ashraf Oureshi	-	54.46
	Wajid Ahmed	-	8.54
	Gulzar Ahmad	-	0.91
	Parvez Alam	-	1.10
	Zulfiqar Ahmed Oureshi	-	13.25
	Mohammad Mehmood Oureshi	-	17.58

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(28) Related party transactions (continued)

(Rs in Million)

Sr. No	Particulars	March 31, 2023	March 31, 2022
13	Dividend Paid		
	Gulzar Ahmad	15.21	-
	Mohammad Ashraf Qureshi	15.21	-
	Zulfiqar Ahmed Qureshi	15.21	-
	Wajid Ahmed	30.39	-
	Parvez Alam	3.80	-
	Mohammad Mehmood Qureshi	15.21	-
	Gulzeb Ahmed	0.00	-
14	Guarantee given on behalf of the Company		
	Taj View Builder and Promoters Private Limited	2,400.00	2,400.00
	Taj View Construction Private Limited	2,400.00	2,400.00
	Gulzar Ahmad	2,400.00	2,400.00
	Zulfiqar Ahmad Qureshi	2,400.00	2,400.00
	Mohammad Ashraf Qureshi	2,400.00	2,400.00
	Wajid Ahmed	2,400.00	2,400.00
	Mohammad Kamil Qureshi	2,400.00	2,400.00
	Gulzeb Ahmed	2,400.00	2,400.00
	Zakiya Beqaum	2,400.00	2,400.00
	Parvez Alam	2,400.00	2,400.00
	Nafees Beqaum	2,400.00	2,400.00

Sr. No	Particulars	March 31, 2023	March 31, 2022
B	Balances		
15	Trade Receivables		
	Black Gold Tanners	17.60	-
	HMA Leather Export Private Limited	24.42	-
16	Advance to related Parties		
	Mohammad Mehmood Qureshi	0.01	-
17	Advance from related parties		
	HMA Leather Export Private Limited	0.08	-
	Gulzar Ahmad	0.70	-
18	Employee related obligations		
	Gulzair Ahmed	0.13	-
19	Trade payable		
	Gausia Cold Storage Private Limited	23.00	16.58
	HMA Consumer Private Limited	-	3.56
	Mohammad Ashraf Qureshi	-	3.26
	Ashraf Qureshi	0.08	0.04
	Gulzar Ahmad	0.04	0.04
	Mohammad Kamil Qureshi	0.04	0.04
	Mohammad Mehmood Qureshi	0.18	-
	Parvez Alam	0.37	0.04
	Wajid Ahmed	0.07	0.07
	Zulfiqar Ahmed Qureshi	0.04	0.04
20	Borrowings		
	Gulzar Ahmad	2.00	2.00
	Mohammad Ashraf Qureshi	1.42	1.42
	Wajid Ahmed	1.00	-

(c) Sr. No	Particulars	March 31, 2023	March 31, 2022
	Commitments		
21	Guarantee given on behalf of the Company		
	Taj View Builder and Promoters Private Limited	2,400.00	2,400.00
	Taj View Construction Private Limited	2,400.00	2,400.00
	Aara Better Homes LLP	1,250.00	1,250.00
	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
	Mohammad Mehmood Qureshi	2,400.00	2,400.00
	Wajid Ahmed	3,650.00	3,650.00
	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 Beqaum	2,400.00	2,400.00

Note :

- 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 31.
- 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.



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(29) Financial risk management framework

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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 Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

a). Credit risk

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

Cash and cash equivalents

The Group held cash and cash equivalents and other bank balances of Rs. 1002.47 million as at March 31, 2023 (March 31, 2022 :Rs. 699.63 millions). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Trade and other receivables

The Group'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 Group operates and other macro-economic factors.

Credit quality of a customer is assessed based on its credit worthiness and historical dealings with the Group, 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.

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 Group does not perceive any credit risk related to these financial assets.

b). Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group has access to unused credit facility for the year ended March 31, 2023 amounting to Rs 773.48 million (March 31, 2022 : Rs 998.60 million) towards working capital needs.

Maturities of financial liabilities

The below table analyses the Group'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	
	<12months	>12months
(Rs in Million)		
March 31, 2023		
Non Derivative financial instruments		
Borrowings	3,010.69	422.50
Trade payables	870.10	-
Other financial liabilities	23.69	-
Derivative financial instruments		
Other financial liabilities	196.61	-
March 31, 2022		
Non Derivative financial instruments		
Borrowings	2,778.57	521.60
Trade payables	794.55	-
Other financial liabilities	40.71	-

(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 Group'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 Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(i). Currency risk

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

Exposure to currency risk

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

USD converted to INR		(in Rupees Million)	
Particulars	March 31, 2023	March 31, 2022	
Financial assets			
Trade receivables	2,881.72	1,853.65	
Net exposure to foreign currency (assets)	2,881.72	1,853.65	
Financial liabilities			
Advances received from customer	349.09	356.63	
Net exposure to foreign currency (liabilities)	349.09	356.63	
Net exposure to foreign currency	2,532.63	1,497.02	

EURO converted to INR		(in Rupees Million)	
Particulars	March 31, 2023	March 31, 2022	
Financial assets			
Trade receivables	103.73	-	
Net exposure to foreign currency (assets)	103.73	-	
Financial liabilities			
Advances received from customer	7.72	-	
Net exposure to foreign currency (liabilities)	7.72	-	
Net exposure to foreign currency	96.01	-	

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)	
	March 31, 2023	March 31, 2022
Impact on profit after tax		
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)	-

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.

During the year ended March 31, 2023, the group has designated certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecasted cash transactions. The related hedge transactions which form a part of hedge reserve as at March 31, 2023 which will occur and be reclassified to the statement of profit and loss over as and when the forecasted transactions occur.

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

Particulars	(in Rupees Million)	
	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	217.95	
Net charge to other comprehensive income before tax adjustments	(140.09)	
Tax Impact on the above	35.26	
Net outstanding cash flow hedge reserve	(104.83)	



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

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

Particulars	As at March 31, 2023		As at March 31, 2023	
	Notional amount of contracts (in million)	Fair value (Rs in million)	Notional amount of contracts (in million)	Fair value (Rs in million)
Forward contracts not in hedging				
USD	35.14	2,831.68	20.09	2.86
EURO	5.00	451.78	-	-
GBP	-	-	-	-
Contracts in hedging relationship (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:

Sensitivity analysis	(in Rupees Million)	
	As at March 31, 2023	As at March 31, 2022
USD		
- Increase by 5%	213.60	58.06
- Decrease by 5%	(213.60)	(58.06)
GBP		
- Increase by 5%	33.81	-
- Decrease by 5%	(33.81)	-
EURO		
- Increase by 5%	125.61	-
- Decrease by 5%	(125.61)	-

As at March 31, 2023 Rs (91.04) Millions, (March 31, 2022 Rs 29.14 Millions) have been recognised in the restated consolidated 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 Group's exposure to interest rate risks relates primarily to the Group's interest obligations on its borrowings. Borrowings taken at variable rates are exposed to fair value interest rate risk. Group 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 Group 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 Group 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 Group'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 Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group 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.

Particulars	(in Rupees Million)	
	March 31, 2023	March 31, 2022
Borrowings	3,433.18	3,300.17
Less : Cash and cash equivalents	(689.04)	(185.28)
Less : Other bank balances	(312.55)	(514.36)
Net Debt	2,431.59	2,600.53
Equity	4,944.86	3,916.55
Total Capital	4,944.86	3,916.55
Total Capital and Net Debt	7,376.45	6,517.07
Capital gearing ratio	0.33	0.40

Loan covenants

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

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(30) 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
Assets			
Derivative asset - Forward contract receivable	-	-	-
Total assets		-	-
Liabilities			
Derivative liabilities - Forward contract payables	2	61.90	-
Total liabilities		61.90	-

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

(in Rupees Million)			
At amortised cost		March 31, 2023	March 31, 2022
Assets			
Trade receivables		2,984.82	2,897.46
Cash and cash equivalents		689.04	185.28
Other bank balances		49.68	254.94
Other financial assets		373.60	375.15
Total assets		4,097.14	3,712.84
Liabilities			
Borrowings		3,433.18	3,300.17
Trade payables		870.10	794.55
Other financial liabilities		18.30	40.71
Total liabilities		4,321.58	4,135.43

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 Consolidated Financial statements for the year ended March 31, 2023

(31) Details of the outstanding borrowings, interest rate, security and repayment terms:

(in Rupees Million)

Particulars	March 31, 2023	March 31, 2022
Non Current	422.50	521.60
Current	3,010.69	2,778.57
Total	3,433.19	3,300.17

(in Rupees Million)

Particulars	March 31, 2023	March 31, 2022	Interest rate	Repayment Period	Secured against
L-1	1606.42	1,947.23	7.56%	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 land1/2 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 Ltd</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 & 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. Mohammad Mehmood Qureshi and Mr. Mohammad Kamil Qureshi)</p> <p>vii. Property - 7 (Industrial land & 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>viii. Property - 8 (Industrial land & 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 & 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 & 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 & building) Exclusive charge of Land and Building situated at Village Behra , Barwala Road, dera Bassi, Distt Patailla Punjab measuring 72 Bighas 17 Biswas I.E 18.30 acres owned By Federal Agro Industries Ltd</p> <p>xiii. Property - 13 (Industrial land & 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 Ltd2. Personal Guarantee of : Gulzar Ahmed, Mohd Ashraf Qureshi, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Mohd Kamil Qureshi, Gulzeeb Ahmed, Zakiya Begaum, Qureshi, Parvez Alam, Nafees Begaum.</p> <p>xiv. Property - 14 (Residential/Commercial/Industrial Land & 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>

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(31) Details of the outstanding borrowings, interest rate, security and repayment terms : (Continued)

(in Rupees Million)

Particulars	March 31, 2023	March 31, 2022	Interest rate	Repayment Period	Secured against
					3. Corporate Guarantees of - Taj view Builder and Promoters Private Limited Taj view Construction Private Limited H.M.A Food Export Private Limited Federal Agro Industries Private Limited 4) Lien on Fixed Deposits(FD) of Rs.50 Million only 5) Personal Guarantees of Parvez Alam, Mohd Mehmood Qureshi, Wajid Ahmed, Mohd Kamil Qureshi, Zulfiqar Ahmed Qureshi, Gulzar Ahmed Qureshi , Mohd Ashraf Qureshi , Ms. Nafees Begum
L-2	1249.94	704.42	7.15%	On Completion of tenure of the WCCL facility	1.First Pari passu charge on the Current assets (Raw materials, Book debts, Finished goods) of the borrower both present and future. 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 & Distt. Agra in the name of Agra better home LLP . 3. Unconditional and Irrevocable personal guarantee of Gulzar Ahmed, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Gulzeeb Ahmed and Zawiya Qureshi to remain valid during entire tenor of facility. 4. Unconditional and Irrevocable personal/corporate guarantee of collateral owner to remain valid during entire tenor of facility.
L-3	4.42	3.42	Not applicable	Payable on demand	Unsecured Loans given by directors are repayable with no interest rate.
L-4	552.50	619.10	8.35%	7 years (20 quarterly repayment after two years of moratorium)	1. Secured against fixed deposits amounting to Rs 176 Million. 2. Collateral Properties I. In name of the Company : 1. Exclusive charge on industrial property being Factory land and building (Under construction) situated at Plot no. 17, 18, 19, 21, 22, 23, 24, 25, 125, 126, 127, 129, 378, 379 at village Ghatta Shamshabad, Tehsil - Firozpur Jhirka, District Nuh, Mewat, Haryana. 3. Personal guarantee of Gulzar Ahmad, Zulfiqar Ahmad Qureshi, Wajid Ahmad, Gulzeeb Ahmed. 4. Corporate Guarantee of HMA Agro Industries Limited
L-5*	19.91	26.00	NA	Payable on demand	Unsecured loan from other parties. No interest is payable on the same.
Total	3,433.19	3,300.17			

*Pertains to loans in Indus Farmers Food Co. LLP where the Company is partner and controls the operations

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.

Loan covenants :

Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Group meets certain prescribed criteria. The debt covenant related to limitation on indebtedness remained suspended as of the date of the authorisation of the financial statements.

The Group has also satisfied all other debt covenants prescribed in the terms of bank loan.

The other loans do not carry any debt covenant.

The Group has not defaulted on any loans payable.

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HMA Agro Industries Limited

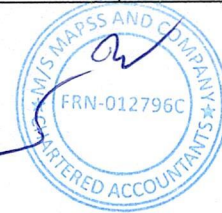
Notes to Consolidated Financial statements for the year ended March 31, 2023

(32) Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements:

Subsidiaries	Country of incorporation	As at March 31, 2023	As at March 31, 2022
(a) Subsidiaries directly held			
Federal Agro Industries Private Limited (w.e.f April 01, 2021)	India	60.00%	60.00%
HMA Food Export Private Limited		100.00%	100.00%
FNS Agro Foods Limited		100.00%	100.00%
HMA Natural Foods Private Limited		90.36%	90.36%
Swastik Bone and Gelatines Private Limited		100.00%	100.00%
Laal Agro Food Private Limited (w.e.f. January 20, 2020)		99.99%	99.99%
United Farm Products Private Limited		100.00%	100.00%
JFF Export Private Limited (w.e.f. July 23, 2020)		100.00%	100.00%
Indus Farmers Food Co. LLP		50.00%	50.00%
Reliable Agro Foods (w.e.f November 09, 2021)		95.00%	95.00%

**International Agro Food Exports is a joint operation and hence is not part of above list*

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(33) Additional information pursuant to paragraph 2 of Division II - Schedule III to the Companies Act 2013 - " Part II - General instructions for the preparation of the consolidated financial statements"

(in Rupees Million)

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
March 31, 2023								
Parent								
HMA Agro Industries Limited	81.84%	4,046.75	108.44%	1,338.81	100.00%	(111.19)	109.28%	1,227.58
Subsidiary								
HMA Food Export Private Limited	2.92%	144.27	0.95%	11.72	-	-	1.04%	11.72
FNS Agro Foods Limited	0.20%	9.79	-0.38%	(4.70)	-	-	-0.42%	(4.70)
Swastik Bone and Gelatines Private Limited	-0.17%	(8.22)	-0.09%	(1.16)	-	-	-0.10%	(1.16)
Laal Agro Food Private Limited	-0.12%	(6.08)	-0.02%	(0.24)	-	-	-0.02%	(0.24)
United Farm Products Private Limited	-0.91%	(45.07)	-16.65%	(205.61)	-	-	-18.30%	(205.61)
Indus Farmers Food Co. LLP	0.66%	32.81	-0.03%	(0.42)	-	-	-0.04%	(0.42)
JFF Export Private Limited	0.00%	(0.15)	0.00%	(0.05)	-	-	0.00%	(0.05)
HMA Natural Foods Private Limited	0.48%	23.84	0.00%	(0.04)	-	-	0.00%	(0.04)
Federal Agro Industries Limited	7.33%	362.68	6.27%	77.44	-	-	6.89%	77.44
Reliable Agro Foods	3.09%	152.57	-0.94%	(11.56)	-	-	-1.03%	(11.56)
Joint Operation								
International Agro Food Exports	0.59%	29.35	0.00%	(0.05)	-	-	0.00%	(0.05)
Non Controlling Interest								
	4.09%	202.32	2.47%	30.54	-	-0.12	2.71%	30.42
Total	100%	4,944.86	100%	1,234.66	100%	(111.31)	100%	1,123.35

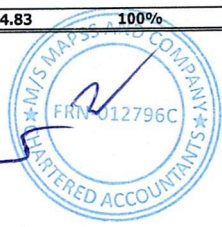
(in Rupees Million)

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
March 31, 2022								
Parent								
HMA Agro Industries Limited	75.27%	2,948.06	98.51%	1,147.53	39.91%	0.36	98.47%	1,147.89
Subsidiary								
HMA Food Export Private Limited	2.55%	99.97	0.00%	-	-	-	0.00%	-
FNS Agro Foods Limited	0.31%	12.29	0.00%	-	-	-	0.00%	-
Swastik Bone and Gelatines Private Limited	-0.16%	(6.36)	0.00%	-	-	-	0.00%	-
Laal Agro Food Private Limited	-0.15%	(5.78)	0.00%	-	-	-	0.00%	-
United Farm Products Private Limited	3.61%	141.37	0.00%	-	-	-	0.00%	-
Indus Farmers Food Co. LLP	0.85%	33.23	0.00%	-	-	-	0.00%	-
JFF Export Private Limited	0.00%	(0.10)	0.00%	-	-	-	0.00%	-
HMA Natural Foods Private Limited	0.61%	23.88	0.00%	-	-	-	0.00%	-
Federal Agro Industries Limited	8.24%	322.75	0.00%	-	43.23%	0.39	0.03%	0.39
Reliable Agro Foods	3.73%	145.94	0.00%	-	-	-	0.00%	-
Joint Operation								
International Agro Food Exports	0.75%	29.39	0.00%	-	-	-	0.00%	-
Non Controlling Interest								
	4.39%	171.90	1.49%	17.30	16.85%	0.15	1.50%	17.46
Total	100%	3,916.55	100%	1,164.83	100%	0.91	100%	1,165.74

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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(33) Additional information pursuant to paragraph 2 of Division II - Schedule III to the Companies Act 2013 - Part II - General instructions for the preparation of the consolidated financial statements"

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Approved

John



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(34) Business combinations

(a) Acquisition of Federal Agro Industries Private Limited

On April 01, 2021, the Group acquired 60% of the voting shares of Federal Agro Industries Private Limited, a non-listed company based in India and specialising in the Manufacturing and exporting of Buffalo Frozen Meat and Meat Products, in exchange for the cash consideration. The Group acquired Federal Agro Industries Private Limited because it significantly enlarges the range of products in the exporting of Buffalo Frozen Meat and Meat Products that can be offered to its clients.

The Group has elected to measure the non-controlling interests in the acquiree at proportion of net assets acquired.

The Group has acquired 5,84,400 number of equity shares of Federal Agro Industries Private Limited for a cash consideration of Rs 224.44 million (Rs 384 per shares). The Company has not incurred any major acquisition related cost. Since the Company has obtained control from April 01, 2021 bifurcation of profits for cut-off period are not required to be carried out.

The fair values of the identifiable assets and liabilities of Federal Agro Industries Private Limited as at the date of acquisition were:

(in Rupees Million)			
Particulars	Book Value	Fair value adjustment	Fair value
Property, plant and equipment (Refer Note 3)	274.60	130.77	405.37
Cash and cash equivalents	3.22	-	3.22
Trade receivables	-	-	-
Other financial assets	4.79	-	4.79
Other current assets	4.53	-	4.53
Deferred tax assets (Refer note 10)	6.58	-	6.58
Total assets	293.72	130.77	424.49
Trade payables	42.82	-	42.82
Borrowings	7.61	-	7.61
Total liabilities	50.43	-	50.43
Total identifiable assets at fair value	243.29	130.77	374.06
Non Controlling Interests - 40%	97.32	52.31	149.62
Purchase consideration paid - 60%	145.97	78.46	224.44

Fair value adjustment is done on the basis of independent valuation report as at the acquisition date.

(b) Acquisition of Reliable Agro Foods

On November 09, 2021, the Group has acquired controlling share of Reliable Agro foods ("Reliable"), a partnership entity based in India and specialising in the Manufacturing and exporting of Buffalo Frozen Meat and Meat Products, in exchange for the cash consideration. The Group acquired Reliable because it significantly enlarges the range of products in the exporting of Buffalo Frozen Meat and Meat Products that can be offered to its clients. The Group has elected to measure the non-controlling interests in the acquiree at proportion of net assets acquired. The Company has not incurred any major acquisition related cost.

The fair values of the identifiable assets and liabilities of Reliable Agro Foods as at the date of acquisition were:

(in Rupees Million)			
Particulars	Book Value	Fair value adjustment	Fair value
Property, plant and equipment (Refer Note 3)	140.26	-	140.26
Capital work in progress	3.47	-	3.47
Cash and cash equivalents	13.17	-	13.17
Other financial assets	2.44	-	2.44
Other current assets	53.96	-	53.96
Total assets	213.30	-	213.30
Trade payables	58.98	-	58.98
Total liabilities	58.98	-	58.98
Total identifiable assets at fair value	154.32	-	154.32
Purchase consideration paid	154.32	-	154.32

The revenue and profit after tax included in the consolidated financial statement of profit and loss for year ended March 31, 2022 since the date of acquisition contributed by Reliable is Rs 20.00 millions and Rs 9.75 million.

Had Reliable been consolidated from April 01, 2021 the consolidated statement of profit and loss for year ended March 31, 2022 would have included revenue of Rs 76.00 millions and profit after tax of Rs 18.62 million.

Chief Accountant

Finance



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended 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 (in Rupees Millions)	1,204.12	1,147.53
Weighted average number of equity shares for EPS (in no's)*	4,75,12,875.00	4,75,12,875.00
Adjustment for calculation of Diluted EPS (in no's)	-	-
Weighted average number of equity shares for Diluted EPS (in no's)	4,75,12,875.00	4,75,12,875.00
Earnings per share		
- Basic	25.34	24.15
- Diluted	25.34	24.15
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
(a) Profit and loss		
Current tax	521.13	411.87
Tax expense relating to prior years	-	10.15
Deferred tax	(20.26)	(0.73)
Total tax expense	500.87	421.29
Income tax expense	500.87	421.29

(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
Profit before tax	1,735.53	1,586.12
Tax rate	25.17%	25.17%
Computed tax expense	436.80	399.20
Expenses not deductible for tax purpose	5.97	6.65
Tax expense relating to prior years	-	10.15
Others	1.90	1.44
Impact of difference in tax rate	(1.23)	3.02
Deferred tax not created on losses of subsidiaries	57.43	0.84
Amounts paid under settlement schemes with revenue authorities	-	-
Income tax expense	500.87	421.29

The Group has not recognised deferred tax asset in respect of carried forward losses and unabsorbed depreciation amounting to Rs 224.23 million (March 31, 2022 : Rs 26.53 million). The aforesaid tax losses will lapse in subsequent years as follows:

(in Rupees Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Within 0 - 5 years	-	0.51
From 5 - 8 years	214.94	10.24
Unabsorbed depreciation	9.29	15.78

(37) Segment reporting

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.



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(37) Segment reporting (continued)

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
India	2,328.54	4,095.75
Rest of the world	7,221.90	4,685.77
Total	31,874.24	30,831.91

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

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

(in Percentage)

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%

(38) Commitments and contingent liabilities

(in Rupees Million)

Particular	As at March 31, 2023	As at March 31, 2022
(a) Export obligation		
The Group has imported plant and machinery for their project under EPCG scheme for which - Export obligation pending against duty saved against which export has to be made in six years	705.58	705.58
(b) Other commitments		
Guarantee given to financial institutions for loans availed by Group	5,450.00	5,450.00
(c) Contingent liabilities*		
Claims against Group not acknowledged as debt		
for matters under appeal against below revenue authorities		
- Service tax	125.67	78.19
- Value added tax	199.30	199.30

*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 Group 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 Group 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 Group Companies. The Group is not able to estimate the liabilities under this search and hence no amount is provided for in the financial statement for the year ended March 31, 2023.

(39) Corporate social responsibility

(in Rupees Million)

Particular	As at March 31, 2023	As at March 31, 2022
Corporate social responsibility expenditure		
Amount required to be spent as per Section 135 of the Companies Act, 2013*	25.65	16.36
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) Purposes other than (i) above	25.65	16.36
(iii) nature of CSR activities		
- Contribution to Charitable trusts	25.65	16.36
- Contribution to Government funds	-	-

(40) Pursuant to year ending March 31, 2023 the Parent 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 Parent 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



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HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2023

(41) Other Statutory Information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group 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:
 - (a) 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
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group 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 Group shall:
 - (a) 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
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(42) 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 Parent Company received Summons to remain present and submit documents as may be requested by DGGI. Since due to unavoidable circumstances, the representatives of the Parent company were not able to remain present, the Parent Company has requested for extension of time to remain present. Thereafter, there is no communication from DGGI. The Parent company is not able to estimate the liability under this search.

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

(44) 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 Ahmad

Chairman

DIN : 01312305

Place : Agra

Date : July 31, 2023

Wajid Ahmed

Managing Director

DIN : 01312261

Place : Agra

Date : July 31, 2023

Mkhil 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