



MAPSS And Company

Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To

The Members of HMA Agro Industries Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of HMA Agro Industries Limited ("the Company"), its subsidiary company (the Company and its subsidiary together referred to as "the Group"), and its associate and joint ventures which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 consolidated state of affairs of the Group and its associate as at 31st March, 2022, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated 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 (SAs), as 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 Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of Key Audit matters as per SA 701, are not applicable to the Company as it is an unlisted company.

Other Matters

(as mentioned in the audit report of HMA Agro Industries Limited (Parent Company) & Federal Agro Industries Private Limited (Wholly Subsidiary Company)

- In absence of information, we could not verify the PF/ESI liabilities and its payment to contract labour.
- HMA Agro Industries Limited (parent company) has acquired the shares of Federal Agro Industries Limited from the shareholder of Federal Agro Industries Limited who also holds the shares of the company.

Information other than the Consolidated Financial Statements and auditors' report thereon

The Holding Company's Board of Directors is responsible for other information. The other information comprises the information included Board's Report including Annexures to that Board's Report, Corporate Governance and Shareholder's Information, but does not include the 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 Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate are responsible for 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 judgements 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 Consolidated 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, the respective Board of Directors of the companies included in the Group and its associate and joint ventures are responsible for assessing the ability of the Group and its associate and joint ventures 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 their respective entities or to cease operations, or has no realistic alternative but to do so;

The respective Board of Directors of the companies included in the Group and of its associate and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associate and joint ventures.

Auditor's responsibilities for the audit of the Consolidated Financial Statements

Our objectives is to obtain reasonable assurance about whether the Consolidated 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 company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditor. For the other entities included in the Consolidated Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion;

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.

Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, 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 of the aforesaid Consolidated Financial Statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant



books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the board of directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting of the company and operating effectiveness of such controls are given in separate Annexure-A;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

(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, in our opinion and to the best of our information and according to the explanations given to us:

1. The Company has disclosed the impact of pending litigations on its consolidated financial position of the Group and its associate and joint ventures-- Refer Note 39 to the Consolidated Financial Statements;

2. The Group and its associate and joint ventures have derivatives contracts-Refer Notes to PL to the Consolidated Financial Statements;

3. (i) The Holding Company management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The Holding Company management has represented, that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and



(iii) Based on audit procedures which we 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) contain any material mis-statement.

4. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For MAPSS AND COMPANY
Chartered Accountants
Firm Registration No. U12796C



CA GYAN CHANDRA MISRA
Membership No. 078183
Place: Ghaziabad
Date: 25/07/2022
UDIN :- **22078183AQPIYG8419**

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

We have audited the internal financial controls over financial reporting of HMA Agro Industries Limited (“the Company”), its subsidiary company (the Company and its subsidiary together referred to as “the Group”), and its associate and joint ventures as of 31 March 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MAPSS AND COMPANY

Chartered Accountants

Firm Registration No. 012796C

CA GYAN CHANDRA MISRA

Membership No. 078183

Place: Ghaziabad

Date: 25/07/2022

UDIN :- 22078183AQPIYG8419



HMA Agro Industries Limited

Consolidated Balance sheet as at March 31, 2022

(In Rupees Million)

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---|-------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| (A) Non-current assets | | | | |
| (a) Property, plant and equipment | (3) | 1,401.31 | 919.14 | 946.71 |
| (b) Capital work in progress | (3.1) | 916.39 | 136.39 | 16.11 |
| (c) Goodwill | (4) | 6.23 | 6.23 | 6.23 |
| (d) Financial assets | | | | |
| (i) Other financials assets | (9) | 330.31 | 166.68 | 160.78 |
| (e) Income tax assets | | 75.85 | 17.34 | - |
| (f) Deferred tax assets (net) | (10) | 24.19 | 17.18 | 40.53 |
| (g) Other assets | (11) | 422.70 | 557.55 | 23.10 |
| Total non-current assets | | 3,176.98 | 1,820.51 | 1,193.46 |
| (B) Current assets | | | | |
| (a) Inventories | (5) | 1,367.53 | 1,268.47 | 1,573.42 |
| (b) Financial assets | | | | |
| (i) Trade receivables | (6) | 2,897.46 | 1,567.41 | 1,166.71 |
| (ii) Cash and cash equivalents | (8) | 185.28 | 516.85 | 385.13 |
| (iii) Bank balances other than (ii) above | (7) | 254.94 | - | - |
| (iv) Other financial assets | (9) | 44.85 | 15.71 | 15.69 |
| (c) Other assets | (11) | 632.10 | 530.66 | 394.08 |
| Total current assets | | 5,382.16 | 3,899.10 | 3,535.03 |
| Total assets | | 8,559.14 | 5,719.61 | 4,728.49 |
| EQUITY AND LIABILITIES | | | | |
| (A) Equity | | | | |
| (a) Share capital | (12) | 475.08 | 37.27 | 37.27 |
| (b) Other equity | (13) | 3,269.51 | 2,559.10 | 1,836.43 |
| (c) Non Controlling Interest | | 171.90 | 4.85 | 4.88 |
| Total equity | | 3,916.49 | 2,601.22 | 1,878.58 |
| (B) Liabilities | | | | |
| (I) Non-current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | (14) | 609.35 | 50.34 | - |
| (b) Provisions | (18) | 16.05 | 12.46 | 9.55 |
| Total non-current liabilities | | 625.40 | 62.80 | 9.55 |
| (II) Current liabilities | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | (14) | 2,690.82 | 1,763.00 | 1,691.30 |
| (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 | | 794.60 | 678.58 | 388.56 |
| (iii) Other financial liabilities | (16) | 40.71 | 63.83 | 125.50 |
| (b) Other liabilities | (17) | 476.71 | 548.99 | 586.09 |
| (c) Provisions | (18) | 1.50 | 1.19 | 0.91 |
| (d) Current tax liabilities | | 12.91 | - | 48.00 |
| Total current liabilities | | 4,017.25 | 3,055.59 | 2,840.36 |
| Total Equity and Liabilities | | 8,559.14 | 5,719.61 | 4,728.49 |

Significant accounting policies

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: 012796196C

CA Gyan Chandra Misra

Partner

Membership Number: 078183

Place : Ghaziabad

Date :25-07-2022

I - 2

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

CIN: U74110UP2008PLC034977

For HMA AGRO INDUSTRIES LTD.

For HMA AGRO INDUSTRIES LTD.

(Signature)

Gulzar Ahmad

Director

Chairman

DIN : 01312305

Place: Agra

Date :25-07-2022

(Signature)

Wajid Ahmed

Director

Managing Director

DIN : 01312261

Place: Agra

Date :25-07-2022

(Signature)

Nikhil Sundrani

Company Secretary

Membership number : 53307

Place: Agra

Date :25-07-2022

For HMA AGRO INDUSTRIES LTD.

Gulzeb Ahmed

Director

Chief financial officer

DIN : 06546660

Place: Agra

Date :25-07-2022

HMA Agro Industries Limited

Consolidated statement of profit and loss for the year ended March 31, 2022

(in Rupees Million)

| Particulars | Note | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------|------------------------------|------------------------------|
| (1) Income | | | |
| (a) Revenue from operations | (19) | 30,831.91 | 17,074.99 |
| (b) Other income | (20) | 557.85 | 128.99 |
| Total Income | | 31,389.76 | 17,203.96 |
| (2) Expenses | | | |
| (a) Cost of raw materials consumed | (21) | 24,214.49 | 13,358.77 |
| (b) Changes in inventories | (22) | (99.05) | 304.94 |
| (c) Employee benefits expense | (23) | 1,056.65 | 585.97 |
| (d) Finance costs | (24) | 65.65 | 40.54 |
| (e) Depreciation and amortization expense | (25) | 106.67 | 83.11 |
| (f) Other expenses | (26) | 4,459.24 | 1,854.12 |
| Total Expenses | | 29,803.65 | 16,227.45 |
| (3) Profit before tax (1-2) | | 1,586.11 | 976.51 |
| (4) Tax expense | (37) | | |
| (a) Current tax | | 411.87 | 227.05 |
| (b) Tax expense relating to prior years | | 10.15 | 3.93 |
| (c) Deferred tax charge / (credit) | | (0.73) | 23.34 |
| Total tax expense | | 421.29 | 254.32 |
| (5) Profit for the year | | 1,164.81 | 722.19 |
| (6) Other comprehensive income | | | |
| (1) Items that will be reclassified to Profit / (Loss) | | - | - |
| (2) Items that will not be reclassified subsequently to Profit | | | |
| - Remeasurements of defined benefit liability | | 1.21 | 0.45 |
| - Tax impact on above | | (0.30) | - |
| Total other comprehensive income | | 0.91 | 0.45 |
| (7) Total comprehensive income for the year | | 1,165.73 | 722.64 |
| Profit for the year attributable to: | | | |
| Equity holders of the parent | | 1,147.51 | 722.22 |
| Non-Controlling Interest | | 17.30 | (0.03) |
| Total profit for the year | | 1,164.80 | 722.19 |
| Other comprehensive income for the year attributable to | | | |
| Equity holders of the parent | | 0.76 | 0.45 |
| Non-Controlling Interest | | 0.15 | - |
| Total other comprehensive income | | 0.91 | 0.45 |
| Total comprehensive income for the year attributable to : | | | |
| Equity holders of the parent | | 1,148.27 | 722.67 |
| Non-Controlling Interest | | 17.46 | (0.03) |
| Total comprehensive income for the year attributable | | 1,165.71 | 722.64 |
| Total | | | |
| Earnings per share (EPS) (Rupee per share) | (36) | | |
| (1) Basic EPS | | 24.15 | 15.20 |
| (2) Diluted EPS | | 24.15 | 15.20 |

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: 012796C796C

CA Gyan Chandra Misra
Partner
Membership Number: 078183
Place : Ghaziabad
Date : 25-07-2022

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

For HMA AGRO INDUSTRIES LTD. For HMA AGRO INDUSTRIES LTD.

Gulzar Ahmad Director
Chairman
DIN : 01312305
Place: Agra
Date : 25-07-2022

Wajid Ahmed Director
Managing Director
DIN : 01312261
Place: Agra
Date : 25-07-2022

Nikhil Sundrani
Company Secretary
Membership number : 53307
Place: Agra
Date : 25-07-2022

For HMA AGRO INDUSTRIES LTD.

Gulzeb Ahmed Director
Chief financial officer
DIN : 06546660
Place: Agra
Date : 25-07-2022

HMA Agro Industries Limited

Consolidated statement of cash flows for the year ended March 31, 2022

(in Rupees Million)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 | Year ended March 31, 2020 |
|---|------------------------------|------------------------------|------------------------------|
| (A) Cashflows from operating activities | | | |
| Profit before tax | 1,586.11 | 976.51 | 622.15 |
| Adjustment for: | | | |
| Depreciation and amortization | 106.67 | 83.11 | 100.16 |
| Liabilities no longer required written back | (18.19) | (3.08) | - |
| Unrealised Fair value (gain)/loss on forward contracts (net) | (29.14) | (97.34) | 103.36 |
| Interest expenses | 63.45 | 38.25 | - |
| Interest on bank deposits | (19.96) | (7.96) | (3.99) |
| Profit on sale of assets (net) | (0.05) | (1.00) | - |
| Unrealised foreign exchange loss/(gain) (net) | (441.90) | 31.47 | (394.97) |
| Operating cash flow before working capital changes | 1,246.99 | 1,019.96 | 426.71 |
| Adjustment for changes in working capital: | | | |
| (Increase) in trade receivables | (888.15) | (432.20) | 2,109.71 |
| (Increase)/Decrease in inventories | (99.09) | 304.97 | (639.00) |
| Decrease/(Increase) in other financial assets | (2.88) | (5.92) | (107.20) |
| Decrease/(Increase) in other non current assets | - | - | 1.83 |
| Decrease/(Increase) in other current assets | (42.95) | (136.57) | 222.86 |
| (Decrease) / Increase in trade payables | 32.41 | 293.10 | (2,153.38) |
| Increase / (Decrease) in other current financial liabilities | (30.58) | 35.67 | (58.16) |
| (Decrease) in current and non-current provisions | 3.90 | 3.63 | 2.99 |
| Increase in other current liabilities | (72.06) | (37.11) | 464.24 |
| Cash generated from operations | 147.58 | 1,045.53 | 270.60 |
| Taxes paid (net of refunds) | (467.62) | (296.31) | (130.82) |
| Net cashflows from operating activities | (320.04) | 749.22 | 139.78 |
| (B) Cashflows from investing activities | | | |
| Purchase of property, plant and equipment and capital work in progress | (819.76) | (174.81) | (226.60) |
| Capital advances paid | 134.85 | (534.45) | - |
| Payment towards acquisition of business, net of cash acquired (Refer note 35) | (362.37) | - | 30.59 |
| Movement in bank deposits with maturity greater than 3 months (net) | (408.45) | - | 3.99 |
| Interest received on fixed deposit | 20.46 | 7.96 | - |
| Net cashflows from investing activities | (1,435.27) | (701.30) | (192.02) |
| (C) Cashflows from financing activities | | | |
| Borrowings (net) | 1,479.22 | 122.05 | 371.51 |
| Interest paid | (55.48) | (38.25) | - |
| Net cashflows from financing activities | 1,423.74 | 83.80 | 371.51 |
| Net (decrease)/increase in cash and cash equivalents (A+B+C) | (331.57) | 131.72 | 319.27 |
| Cash and cash equivalents at the beginning of the year | 516.85 | 385.13 | 66.83 |
| Cash and cash equivalents at the end of the year | 185.28 | 516.85 | 386.10 |
| Cash and cash equivalents comprise of: | | | |
| Cash in hand | 24.32 | 36.88 | 6.83 |
| Balance with banks: | | | |
| - In current accounts | 147.31 | 394.68 | 378.20 |
| - Cheque in hand | 13.55 | - | - |
| - In fixed deposit account with original maturity of 3 months or less | 0.10 | 85.29 | 0.10 |
| Total cash and cash equivalents | 185.28 | 516.85 | 385.13 |

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: 0117962796C

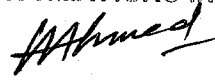
CA Gyan Chandra Misra
Partner
Membership Number: 078183
Place :
Date :

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

For HMA AGRO INDUSTRIES LTD.
CIN: 074110UP2008PLC034977

For HMA AGRO INDUSTRIES LTD.


Director
Gulzar Ahmad
Chairman
DIN : 01312305
Place :
Date :


Director
Wajid Ahmed
Managing Director
DIN : 01312261
Place :
Date :


Nikhil Sundrani
Company Secretary
Membership number : 53307
Place: Agra
Date :25-07-2022

For HMA AGRO INDUSTRIES LTD.


Director
Gulzeb Ahmed
Chief financial officer
DIN : 06546660
Place: Agra
Date :25-07-2022

HMA Agro Industries Limited
Consolidated Statement of Changes in Equity for the year ended March 31, 2022

(A) Equity share capital

| Particulars | Note | Amount |
|---|------|--------|
| | | |
| Balance as at April 1, 2020 | | 37.27 |
| Changes in equity share capital during the year | (12) | - |
| Balance as at March 31, 2021 | | 37.27 |
| Balance as at April 1, 2021 | | 37.27 |
| Changes in equity share capital during the year | (12) | 437.86 |
| Balance as at March 31, 2022 | | 475.13 |

(B) Other equity

| Particulars | Reserve and Surplus | | | Other Comprehensive Income | Attributable to Parent | Attributable to Non controlling interest share holders | Total equity |
|--|---------------------|-----------------|--------------------|----------------------------|------------------------|--|--------------|
| | General Reserve | Capital Reserve | Securities Premium | | | | |
| Balance as at April 1, 2020 | 600.00 | 25.32 | 34.20 | - | 1,839.52 | 4.88 | 1,844.39 |
| Restatement adjustment (Refer note 33) | - | - | (3.09) | - | (3.09) | - | (3.09) |
| Restated balance as at April 01, 2020 | 600.00 | 25.32 | 34.20 | 0.45 | 1,836.43 | 4.88 | 1,841.30 |
| Profit for the year | - | - | 722.22 | 0.45 | 722.67 | (0.03) | 722.64 |
| Balance as at March 31, 2021 | 600.00 | 25.32 | 34.20 | 0.45 | 2,559.10 | 4.85 | 2,563.94 |
| Balance as at April 1, 2021 | 600.00 | 25.32 | 34.20 | 0.45 | 2,559.10 | 4.85 | 2,563.94 |
| On account of business combination (Refer note 35) | - | - | - | - | - | 149.59 | 149.59 |
| Bonus shares issued to shareholder | (403.67) | - | (34.20) | - | (437.86) | - | (437.86) |
| Profit for the year | - | - | 1,147.51 | 0.76 | 1,148.27 | 17.46 | 1,165.72 |
| Balance as at March 31, 2022 | 196.33 | 25.32 | 3,046.63 | 1.21 | 3,269.51 | 171.90 | 3,441.39 |

Nature and purpose of reserves

- (a) **Securities Premium Reserve:** The amount received in excess of face value of the equity shares is recognised in Securities Premium. It can be used only in accordance with provisions of Companies Act, 2013 for specified purposes.
- (b) **Retained Earnings:** Retained earnings are the profits that the Company has earned till date net of appropriations. It is available for distribution to shareholders.
- (c) **Capital Reserves:** Any short fall of consideration paid over net assets acquired is treated as capital reserve under equity.
- (d) **General Reserves:** Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

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

As per our report of even date attached.

FOR MAPSS AND COMPANY

Chartered Accountants AND Co.
Firm's Registration Number: 003185
FRN-012796C
CA Gyan Chandra Mishra
Partner
Membership Number: 603185
Place :
Date :

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

FOR HMA AGRO INDUSTRIES LTD. FOR HMA AGRO INDUSTRIES LTD.

Gulzar
Gulzar Ahmad
Chairman
DIN : 01312305
Place :
Date :

Wajid
Wajid Ahmed
Managing Director
DIN : 01312261
Place :
Date :

Nikhil
Nikhil Sundrani
Company Secretary
Membership number : 53307
Place: Agra
Date :25-07-2022

FOR HMA AGRO INDUSTRIES LTD.

Gulzeb
Gulzeb Ahmed
Chief financial officer
DIN : 06546660
Place: Agra
Date :25-07-2022

HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

1 Corporate information

HMA Agro Industries Limited ("the Group" and "Parent") 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, 2022 were approved and authorized for issue by board of directors in their meeting held on May 09, 2022.

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 Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements for the year ended March 31, 2021 were the first financial statements the Group had prepared in accordance with Ind AS.

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 Group's functional currency.

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.

Depreciation

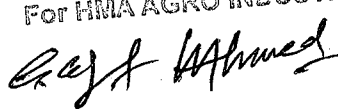
Depreciation on property, plant and equipment is provided on written down value method, which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013.

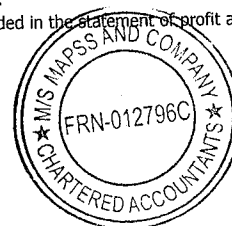
Depreciation commences when the assets are ready for their intended use.

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.

For HMA AGRO INDUSTRIES LTD.


Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

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 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 to 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)

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.

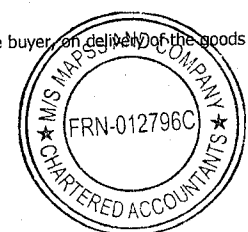
Revenue from inter-Group arrangement is recognised based on transaction price which is at arm's length based on transfer pricing arrangement.

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.

[Signature]
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

2.07 Other income :

Interest income:

Interest income is recognised using effective interest rate method.

Profit/ (Loss) on derivatives :

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.

2.12 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 nor any constructive obligation.

2.11 Provisions and Contingent Liabilities

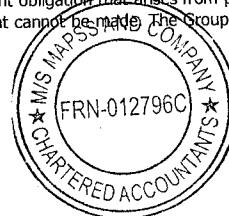
Provisions:

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

Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the 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 For HMA Agro Industries Limited its existence in the financial statements.

Rashid Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

2.12 Financial Instruments

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

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.

2.13 Financial Instruments continued

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 loans and other financial assets.

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

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

Upon initial recognition, the 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.

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.

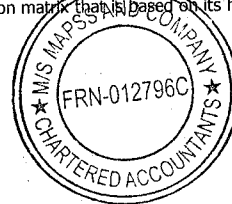
Impairment of financial assets

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 ECLs. 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.

For

Co. S. Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

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.

2.14 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.

2.15 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.

2.16 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 standalone financial statements of the Group as a whole. Common allocable costs are allocated to each segment on an appropriate basis.

2.17 Significant accounting estimates, judgements and assumptions

The preparation of the Group's Standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the 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 Standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognized in the year in which the estimates are revised and in any future year affected.

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

a. Useful lives of property, plant and equipment and intangible assets: Determination of the estimated useful life of tangible assets and intangible assets and the assessment as to which components of the cost may be Capitalized. Useful life of tangible assets is based on the life specified in Schedule II of the Companies Act, 2013 and also as per management estimate for certain category of assets. Assumption also need to be made, when 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 Companies assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the 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.

For HMA AGRO INDUSTRIES LTD.

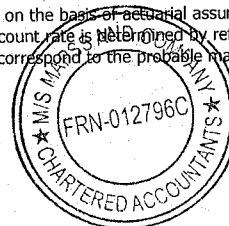
For HMA AGRO INDUSTRIES LTD.

[Signature]

Director

[Signature]

Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

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.

2.18 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable in 2022.

For HMA AGRO INDUSTRIES LTD.

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Director
[Handwritten signature]



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(3) Property, plant and equipment

(in Rupees Million)

| Particulars | Land (Freehold) | Building | Vehicles | Plant and Machinery | Office Equipment | Total |
|--|-----------------|---------------|--------------|---------------------|------------------|-----------------|
| Gross carrying amount | | | | | | |
| As at April 01, 2021 | 425.62 | 214.83 | 54.04 | 479.50 | 17.96 | 1,191.95 |
| On account of business combination (Refer note 35) | 241.48 | 213.58 | 2.37 | 87.02 | 1.32 | 545.78 |
| Additions | 0.26 | 24.08 | 7.61 | 6.94 | 8.13 | 47.01 |
| Disposals | - | (2.10) | - | (4.26) | - | (6.37) |
| As at March 31, 2022 | 667.36 | 450.39 | 64.02 | 569.20 | 27.41 | 1,778.37 |
| Accumulated depreciation | | | | | | |
| As at April 01, 2021 | - | 42.31 | 34.74 | 188.92 | 6.82 | 272.79 |
| Charge for the year | - | 28.43 | 7.47 | 65.44 | 4.99 | 106.33 |
| On disposals | - | - | - | (2.06) | - | (2.06) |
| As at March 31, 2022 | - | 70.74 | 42.21 | 252.30 | 11.81 | 377.06 |
| Net carrying amount as at March 31, 2022 | 667.36 | 379.65 | 21.81 | 316.90 | 15.60 | 1,401.31 |
| Gross carrying amount | | | | | | |
| As at April 01, 2020 | 425.60 | 211.64 | 53.96 | 430.36 | 21.22 | 1,142.78 |
| Additions | 2.92 | 3.19 | 0.08 | 49.58 | 3.56 | 59.33 |
| Disposals | (2.90) | - | - | (0.44) | (6.82) | (10.16) |
| As at March 31, 2021 | 425.62 | 214.83 | 54.04 | 479.50 | 17.96 | 1,191.95 |
| Accumulated depreciation | | | | | | |
| As at April 01, 2020 | - | 28.73 | 24.63 | 133.17 | 9.54 | 196.07 |
| Charge for the year | - | 13.58 | 10.11 | 55.75 | 3.67 | 83.13 |
| On disposals | - | - | - | - | (6.39) | (6.39) |
| As at March 31, 2021 | - | 42.31 | 34.74 | 188.92 | 6.82 | 272.81 |
| Net carrying amount as at March 31, 2021 | 425.62 | 172.52 | 19.30 | 290.58 | 11.14 | 919.14 |

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

(3.1) Capital work in progress

| Particulars | Total |
|--|---------------|
| As at April 01, 2020 | 16.11 |
| Incurred during the year | 120.28 |
| Capitalised | - |
| As at March 31, 2021 | 136.39 |
| On account of business combination (Refer note 35) | 3.47 |
| Incurred during the year | 780.00 |
| Capitalised during the year | (3.47) |
| As at March 31, 2022 | 916.39 |

Capital work-in-progress includes :

| Particulars | Year Ended March 31, 2022 | Year Ended March 31, 2021 |
|-------------------|---------------------------|---------------------------|
| Plant & Machinery | 684.88 | 35.06 |
| Building | 231.52 | 101.33 |
| Total | 916.39 | 136.39 |

Ageing of projects in progress

(in Rupees Million)

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 |

March 31, 2021

| | 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 | 120.28 | 16.11 | - | - | 136.39 |
| Total | 120.28 | 16.11 | - | - | 136.39 |

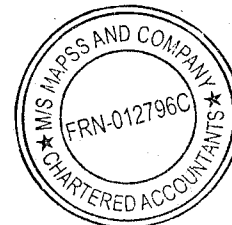
April 01, 2020

| | 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 | 16.11 | - | - | - | 16.11 |
| Total | 16.11 | - | - | - | 16.11 |

For HMA AGRO INDUSTRIES LTD.

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

Asif Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(4) Goodwill on consolidation

(In Rupees Million)

| Particulars | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| Goodwill at the beginning of the year | 6.23 | 6.23 | 6.23 |
| Add: Recognised during the year | - | - | - |
| Goodwill at the end of the year | 6.23 | 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, 2022 | As at March 31, 2021 | As at April 01, 2020 |
|---------------------------------|-------------------------|-------------------------|-------------------------|
| HMA Food Export Private Limited | 6.23 | 6.23 | 6.23 |
| Total | 6.23 | 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.

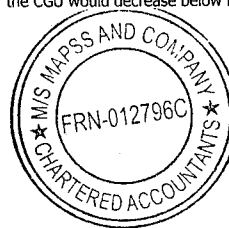
An analysis of the sensitivity of the Computation to a change in key parameters (Operating margin, discount rate and long term growth rate) based on reasonable assumptions did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount.

For HMA AGRO INDUSTRIES LTD.

Asif Ahmed
Director

For HMA AGRO INDUSTRIES LTD.

Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

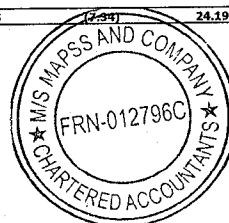
| Particulars | (In Rupees Million) | | |
|---|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 | As at April 01, 2020 |
| (5) Inventories | | | |
| (Valued at lower of cost and net realisable value) | | | |
| Packing Materials | 44.88 | 73.02 | 22.00 |
| Finished Goods | 1,284.81 | 1,148.06 | 1,526.34 |
| Stores & Spares and Other Materials | 37.84 | 47.39 | 25.08 |
| Total Inventories | 1,367.53 | 1,268.47 | 1,573.42 |
| (6) Trade receivables | | | |
| Unsecured, considered good | | | |
| - Third Party | 2,897.46 | 1,536.98 | 1,095.32 |
| - Related parties (Refer note 28) | 0.00 | 30.43 | 71.39 |
| Total trade receivables | 2,897.46 | 1,567.41 | 1,166.71 |
| Ageing of Trade receivables | | | |
| Undisputed Trade receivables – considered good | March 31, 2022 | March 31, 2021 | March 31, 2020 |
| - Not due | | | |
| - Less than 6 Months | 2,851 | 1,481 | 1,154 |
| - 6 months – 1 year | 24 | 20 | 13 |
| - 1-2 years | 1 | 37 | - |
| - 2-3 years | - | 17 | - |
| - More than 3 years | 10 | 12 | - |
| Total | 2,886 | 1,566 | 1,167 |
| (7) Other bank balances | | | |
| Current | | | |
| Bank Deposit with maturity less than twelve months* | 254.94 | - | - |
| | 254.94 | | |
| *Above deposits are provided as lien against borrowings taken from financial institutions. | | | |
| (8) Cash and cash equivalents | | | |
| Cash on hand | 24.32 | 36.88 | 6.83 |
| Balance with banks | | | |
| In current accounts | 147.31 | 394.68 | 378.20 |
| Cheque in hand | 13.55 | - | - |
| In fixed deposit account with original maturity of 3 months or less | 0.10 | 85.29 | 0.10 |
| Total cash and cash equivalents | 185.28 | 516.85 | 385.13 |
| (9) Other financial assets | | | |
| Non-current financial assets | | | |
| Capital advances* | 30.75 | 29.95 | 29.95 |
| Security Deposit | 40.15 | 30.82 | 27.41 |
| Bank Deposit provided as lien against borrowings** | 259.41 | 105.91 | 103.42 |
| Total non-current financial assets | 330.31 | 166.68 | 160.78 |
| *Pertains to advances given for purchase of immovable properties. | | | |
| **The Group has taken working capital demand loan against Fixed deposits as at March 31, 2022 : Rs 259.41 million (March 31, 2021 :Rs 71 millions)(April 01, 2020 :Rs 71 millions). Balance amounts are used as collateral for issuing bank guarantees which are given to various Government authorities. | | | |
| Current financial assets | | | |
| Derivative asset - forward contract | - | - | - |
| Interest receivable from bank | 15.71 | - | - |
| Security Deposit | 29.14 | 15.71 | 15.69 |
| Total current financial assets | 44.85 | 15.71 | 15.69 |
| (10) Deferred tax assets (net) | | | |
| Significant components of deferred tax assets (net) | | | |
| Deferred tax assets/ (liabilities) | | | |
| Difference between book and tax value of property, plant | 28.38 | 17.18 | 15.82 |
| Derivative asset | (7.34) | - | 24.71 |
| Gratuity expenses | 3.15 | - | - |
| Total Deferred tax assets | 24.19 | 17.18 | 40.53 |
| Movements in deferred tax assets/(liabilities) | | | |

(In Rupees Million)

| Particulars | Property, plant & equipment and intangible assets | Gratuity | Derivative Instruments | Total |
|--|---|-------------|------------------------|--------------|
| At April 1, 2020 | 15.82 | - | 24.71 | 40.52 |
| (Charged) / Credited | | | | |
| - to profit or loss | 1.36 | - | (24.71) | (23.34) |
| - to other comprehensive Income | - | - | - | - |
| At March 31, 2021 | 17.18 | | | 17.18 |
| At April 1, 2021 | 17.18 | - | - | 17.18 |
| On account of business combination (Refer note 35) | 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 |

FOR HMA AGRO INDUSTRIES LTD.

Asif Akhmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(in Rupees Million)

| Particulars | As at | As at | As at |
|---|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | April 01, 2020 |
| (11) Other assets | | | |
| Non-Current assets | | | |
| Capital advances | 422.70 | 557.55 | 23.10 |
| Total non-current assets | 422.70 | 557.55 | 23.10 |
| Current assets | | | |
| Prepaid expenses | 8.97 | 2.51 | 0.12 |
| Advances to supplier | 322.19 | 406.30 | 148.19 |
| Advances to related parties (Refer note 28) | - | 38.46 | 83.04 |
| Balance with government authorities | 285.88 | 73.28 | 146.03 |
| Duty drawback receivable | 15.06 | 10.11 | 16.70 |
| Total current assets | 632.10 | 530.66 | 394.08 |

| Particulars | As at | As at | As at |
|---|----------------|----------------|----------------|
| | March 31, 2022 | March 31, 2021 | April 01, 2020 |
| (12) Equity share capital | | | |
| Authorised | | | |
| 70,000,000 equity shares of face value Rs. 10 each (March 31, 2021 : 20,000,000 equity shares of face value Rs. 10 each April 01, 2020 : 65,00,000 equity shares of face value Rs. 10 each) | 700.00 | 200.00 | 65.00 |
| Issued, subscribed and fully paid-up | | | |
| 47,512,875 equity share of face value Rs.10 each fully paid up (March 31, 2021 :37,26,500 equity share of face value Rs.10 each fully paid up, April 1, 2020 : 37,26,500 equity share of face value Rs.10 each fully paid up) | 475.13 | 37.27 | 37.27 |
| | 475.13 | 37.27 | 37.27 |

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

| Particulars | As at | | As at | | As at | |
|---|-------------------|---------------|------------------|--------------|------------------|--------------|
| | March 31, 2022 | | March 31, 2021 | | April 01, 2020 | |
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Equity shares | | | | | | |
| At the commencement of the year | 3,726,500 | 37.27 | 3,726,500 | 37.27 | 3,726,500 | 37.27 |
| Issued during the year (Refer note below) | 43,786,375 | 437.86 | - | - | - | - |
| At the end of the year | 47,512,875 | 475.13 | 3,726,500 | 37.27 | 3,726,500 | 37.27 |

Note :

(a) During the 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 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 | | As at | |
|---|--------------------------------|------------------|--------------------------------|------------------|--------------------------------|------------------|
| | March 31, 2022 | | March 31, 2021 | | April 01, 2020 | |
| | % of total shares in the class | Number of shares | % 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 | | | | | | |
| Wajid Ahmed | 32.00% | 15,204,120 | 32.00% | 1,192,480 | 32.00% | 1,192,480 |
| Mohd Ashraf Qureshi | 16.00% | 7,602,060 | 16.00% | 596,240 | 16.00% | 596,240 |
| Mohd Mehmood Qureshi | 16.00% | 7,602,060 | 16.00% | 596,240 | 16.00% | 596,240 |
| Zulfiquar Ahmed Qureshi | 16.00% | 7,602,060 | 16.00% | 596,240 | 16.00% | 596,240 |
| Gulzar Ahmad | 16.00% | 7,602,060 | 16.00% | 596,240 | 16.00% | 596,240 |

(c) Details of shares held by promoters

As at March 31, 2022

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|-------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Wajid Ahmed | 1,192,480 | 14,011,640 | 15,204,120 | 32.00% | - |
| Mohd Ashraf Qureshi | 596,240 | 7,005,820 | 7,602,060 | 16.00% | - |
| Mohd Mehmood Qureshi | 596,240 | 7,005,820 | 7,602,060 | 16.00% | - |
| Zulfiquar Ahmed Qureshi | 596,240 | 7,005,820 | 7,602,060 | 16.00% | - |
| Gulzar Ahmad | 596,240 | 7,005,820 | 7,602,060 | 16.00% | - |
| Pravez Alam | 148,960 | 1,750,280 | 1,899,240 | 4.00% | - |
| Total | 3,726,400 | 43,785,200 | 47,511,600 | 100% | 0% |

As at March 31, 2021

| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|-------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Wajid Ahmed | 1,192,480 | - | 1,192,480 | 32.00% | - |
| Mohd Ashraf Qureshi | 596,240 | - | 596,240 | 16.00% | - |
| Mohd Mehmood Qureshi | 596,240 | - | 596,240 | 16.00% | - |
| Zulfiquar Ahmed Qureshi | 596,240 | - | 596,240 | 16.00% | - |
| Gulzar Ahmad | 596,240 | - | 596,240 | 16.00% | - |
| Pravez Alam | 148,960 | - | 148,960 | 4.00% | - |
| Total | 3,726,400 | - | 3,726,400 | 100% | - |

As at April 01, 2020

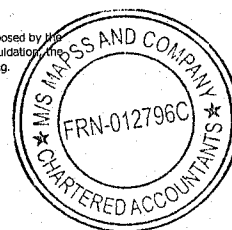
| Promoter Name | No. of shares at the beginning of the year | Change during the year | No. of shares at the end of the year | % of Total Shares | % change during the year |
|-------------------------|--|------------------------|--------------------------------------|-------------------|--------------------------|
| Wajid Ahmed | 1,192,480 | - | 1,192,480 | 32.00% | - |
| Mohd Ashraf Qureshi | 596,240 | - | 596,240 | 16.00% | - |
| Mohd Mehmood Qureshi | 596,240 | - | 596,240 | 16.00% | - |
| Zulfiquar Ahmed Qureshi | 596,240 | - | 596,240 | 16.00% | - |
| Gulzar Ahmad | 596,240 | - | 596,240 | 16.00% | - |
| Pravez Alam | 148,960 | - | 148,960 | 4.00% | - |
| Total | 3,726,400 | - | 3,726,400 | 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 following 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.

Wajid Ahmed
Director

[Signature]
Director



HMA Agro Industries Limited

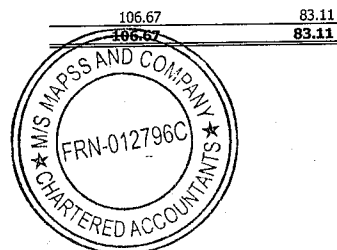
Notes to Consolidated Financial statements for the year ended March 31, 2022

(in Rupees Million)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| (19) Revenue from operations | | |
| Sale of products | | |
| - Domestic sales | 4,095.75 | 1,228.19 |
| - Export sales | 26,749.25 | 15,852.66 |
| Less : Discount | (13.09) | (5.88) |
| Total Revenue from operations | 30,831.91 | 17,074.97 |
| (20) Other income | | |
| Interest on : | | |
| - Bank deposits | 19.96 | 7.96 |
| - Others | 0.00 | 0.91 |
| Foreign exchange gain, net | 441.90 | - |
| Profit on sale of property plant and equipment | 0.05 | 1.00 |
| Profit on Derivative forwards measured through profit and loss | 29.14 | 97.34 |
| Duty drawback | 40.51 | 18.59 |
| Liabilities no longer required written back | 18.19 | 3.08 |
| Miscellaneous income | 8.10 | 0.11 |
| Total other income | 557.85 | 128.99 |
| (21) Cost of raw material consumed | | |
| Inventory at the beginning of the year | - | - |
| Add : Purchased | 24,214.49 | 13,358.77 |
| Less : raw material at the end of the year | - | - |
| Cost of raw material consumed | 24,214.49 | 13,358.77 |
| (22) Changes in inventories | | |
| At the beginning of the year | | |
| Finished Goods | 1,268.47 | 1,573.41 |
| At the end of the year | | |
| Finished Goods | (1,367.52) | (1,268.47) |
| Change | (99.05) | 304.94 |
| (23) Employee benefits expenses | | |
| Salaries, wages and bonus | 1,038.64 | 566.35 |
| Gratuity expense (Refer note 27) | 5.12 | 3.64 |
| Contribution to provident fund (Refer note 27) | 8.66 | 8.12 |
| Staff welfare expense | 4.23 | 7.86 |
| Total employee benefits expenses | 1,056.65 | 585.97 |
| (24) Finance costs | | |
| Interest on : | | |
| - working capital demand loan and term loans | 63.45 | 38.25 |
| - term loan on vehicles | 2.20 | 0.25 |
| - statutory dues | - | 2.04 |
| Other finance cost | - | - |
| Total finance cost | 65.65 | 40.54 |
| (25) Depreciation expense | | |
| Depreciation of property, plant and equipment (Refer note 3) | 106.67 | 83.11 |
| Total depreciation expense | 106.67 | 83.11 |

For HMA AGRO INDUSTRIES LTD.

[Signature]
Director



HMA Agro Industries Limited

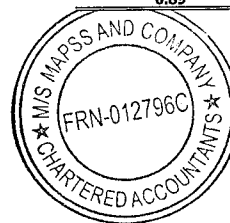
Notes to Consolidated Financial statements for the year ended March 31, 2022

(in Rupees Million)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| (26) Other expenses | | |
| Export charges | 2,234.44 | 87.70 |
| Repairs and Maintenance : | | |
| - Plant & Machinery | 210.34 | 125.04 |
| - Building | 16.95 | 7.14 |
| Facility utilisation charges and rent | 105.84 | 120.16 |
| Power and fuel | 599.56 | 286.94 |
| Packaging expenses | 405.17 | 219.90 |
| Sales Commission | 389.68 | 76.17 |
| Cooling and Freezing charges | 121.13 | 105.67 |
| Consumable expenses | 89.30 | 46.76 |
| Rates and Taxes | 59.71 | 15.72 |
| Legal and professional charges | 46.15 | 11.77 |
| Foreign exchange loss, net | - | 31.47 |
| Security charges | 22.88 | 25.44 |
| Bank Charges | 36.88 | 23.75 |
| Freight Charges | 20.80 | 616.15 |
| Corporate Social Responsibility (Refer note 40) | 16.36 | 7.45 |
| Slaughter charges | - | 6.89 |
| Insurance charges | 10.71 | 5.79 |
| Cleaning Expenses | 15.60 | 4.79 |
| Communication expenses | 4.43 | 4.22 |
| Travelling and Conveyance | 5.94 | 4.04 |
| Printing & Stationery | 8.63 | 3.99 |
| Vehicle expenses | 3.27 | 2.64 |
| Sundry balances write off | 4.27 | - |
| Software charges | 4.21 | 1.61 |
| Auditors Remuneration (Refer. note 26.1) | 0.89 | 0.51 |
| Miscellaneous expenses | 26.10 | 12.41 |
| Total other expenses | 4,459.24 | 1,854.12 |
| (26.1) Payment to auditors : | | |
| For statutory audit | 0.89 | 0.51 |
| Total payment to auditors | 0.89 | 0.51 |

For HMA AGRO INDUSTRIES LTD.

Asif Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(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 millions)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Employer's contribution to provident fund | 8.66 | 8.12 |

Included in 'Contribution to provident fund under employee benefits expense (Refer Note 21)

(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, 2022 | As at March 31, 2021 |
|---|--|--|
| Discount rate | 6.30% | 6.50% |
| 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 | 8 Years | 8 Years |

Notes:

- Discount rate: The discount rate is based on the prevailing market yields of Indian government securities for the estimated term of the obligations.
- Salary escalation rate: The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- 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 :

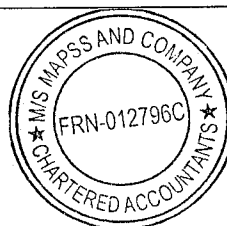
(Rs in millions)

| Change in the present value of obligation | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Present value of obligation at the beginning of the year | 13.65 | 10.46 |
| Interest cost | 0.89 | 0.67 |
| Current service cost | 4.23 | 2.97 |
| Remeasurement due to | - | - |
| Actuarial loss/(gain) arising from change in financial assumptions | (0.56) | (0.11) |
| Actuarial loss/(gain) arising on account of experience changes | (0.65) | (0.34) |
| Actuarial loss/(gain) arising on account of demographical assumptions | - | - |
| Present value of obligation at the end of the year | 17.56 | 13.65 |

| Reconciliation of present value of defined benefit obligation and the fair value of assets | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Present value of funded obligation at the end of the year | 17.56 | 13.65 |
| Deficit of funded plan | 17.56 | 13.65 |

For HMA AGRO INDUSTRIES LTD.

Qasim Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

| (ii) Amount recognised in the statement of profit and loss | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Current service cost | 4.23 | 2.97 |
| Past service cost | - | - |
| Interest cost | 0.89 | 0.67 |
| Total expense recognized in the statement of profit and loss | 5.12 | 3.64 |

| Amount recognised in other comprehensive income | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Remeasurements during the year due to | | |
| Changes in financial assumptions | (0.56) | (0.11) |
| Changes in demographic assumptions | - | - |
| Experience adjustments | (0.65) | (0.34) |
| Amount recognised in other comprehensive income during the year | (1.21) | (0.45) |

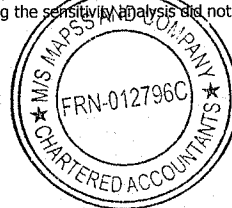
(iii) Sensitivity of the defined benefit obligation to changes in weighted principal assumptions is:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Discount rate (Increases 1%) | (1.28) | (1.00) |
| Discount rate (Decreases 1%) | 1.47 | 1.16 |
| Salary increase rate (Increases 1%) | 0.08 | (1.16) |
| Salary increase rate (Decreases 1%) | (0.09) | 1.03 |
| Withdrawal Rate (Increases 1%) | (0.03) | (0.02) |
| Withdrawal Rate (Decreases 1%) | 0.03 | 0.04 |
| Mortality Rate (increase in expected lifetime by 1 year) | (0.00) | (0.00) |
| Mortality Rate (increase in expected lifetime by 3 year) | (0.01) | (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.

For HMA AGRO INDUSTRIES LTD.

Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(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 | Taj View Builder and Promoters Private Limited |
| 8 | Taj View Construction Private Limited |
| 9 | Agro Better Homes LLP |

(ii) Key managerial personnel

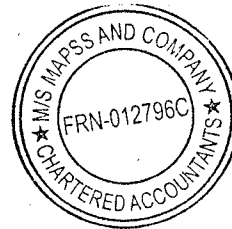
| Sr. No | Particulars | Nature of relationship |
|--------|--|-------------------------------------|
| 1 | Wajid Ahmed (upto June 02, 2021) (w.e.f June 03, 2021) | Director Managing Director |
| 2 | Gulzar Ahmad (upto June 02, 2021) (w.e.f June 03, 2021) | Director Chairman |
| 3 | Gulzeb Ahmed (upto June 03, 2021) (w.e.f June 03, 2021) | Director Chief financial officer |
| 4 | Zulfiqar Ahmed Qureshi (upto. April 01, 2021) | Director |
| 5 | Nikhil Sundrani (w.e.f. October 04, 2021) | Company secretary |

(iii) Relatives of Key management personnel

| 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 Begum |
| 7 | Guizair Ahmed |
| 8 | Zainul Ahmad |
| 9 | Gulam Habib |
| 10 | Zakiya Qureshi |
| 11 | Nafees Begaum |

For HMA AGRO INDUSTRIES LTD.

Wajid Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

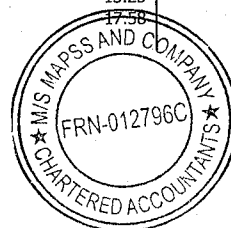
(b) Transaction and balances

(Rs in millions)

| Sr. No | Particulars | March 31, 2022 | March 31, 2021 |
|-----------|--|----------------|----------------|
| A | Transactions | | |
| 1 | Facility utilisation charges | | |
| | Federal Agro Industries Private Limited | - | 65.00 |
| 2 | Rent | | |
| | HMA Cattle Farming Private Limited | - | - |
| | Gausia Cold Storage Private Limited | - | 0.06 |
| | Gulzar Ahmad | 0.04 | 0.06 |
| | Mohammad Ashraf Qureshi | 0.04 | 0.06 |
| | Zulfiquar Ahmed Qureshi | 0.04 | 0.06 |
| | Wajid Ahmed | 0.07 | 0.06 |
| | Mohammad Kamil Qureshi | 0.04 | 0.06 |
| | Parvez Alam | 0.04 | 0.06 |
| | Nafees Begum | 0.04 | 0.06 |
| | Mohammad Mehmood Qureshi | 0.04 | 0.06 |
| 3 | Cooling charges | | |
| | Gausia Cold Storage Private Limited | 8.31 | - |
| 4 | Commission on sales | | |
| | Mohammad Ashraf Qureshi | 36.69 | 0.82 |
| 5 | Sale of Products | | |
| | HMA Leather Export Private Limited | 2.27 | 10.66 |
| 6 | Purchase of raw material | | |
| | HMA Leather Export Private Limited | 41.38 | 11.99 |
| 7 | Remuneration | | |
| | Gulzar Ahmad | 16.50 | 9.60 |
| | Zulfiquar Ahmed Qureshi | 1.00 | 9.60 |
| | Wajid Ahmed | 16.50 | 9.60 |
| | Mohammad Kamil Qureshi | 16.50 | 9.60 |
| | Gulzeb Ahmed | 11.10 | 6.00 |
| | Parvez Alam | 16.50 | 9.60 |
| | Mohammad Mehmood Qureshi | 16.50 | 9.60 |
| | Gulzair Ahmed | 1.20 | - |
| | Zainul Ahmad | 1.20 | - |
| | Gulam Habib | 1.20 | - |
| 8 | Reimbursement of expense incurred on behalf of subsidiary | | |
| | Federal Agro Industries Private Limited | 3.77 | - |
| | HMA Leather Export Private Limited | 0.36 | - |
| | Gausia Cold Storage Pvt Ltd | 4.16 | - |
| 9 | Advance given to related parties | | |
| | HMA Hygienic Foods Industries Private Limited | - | 0.41 |
| | Federal Agro Industries Private Limited | - | 26.63 |
| 10 | Advances received back from related parties | | |
| | HMA Hygienic Foods Industries Private Limited | 0.75 | - |
| | Federal Agro Industries Private Limited | - | 71.63 |
| 11 | Borrowings taken from related parties | | |
| | Gulzeb Ahmed | - | - |
| | Mohammad Kamil Qureshi | - | 2.42 |
| | Mohammad Ashraf Qureshi | - | 52.78 |
| | Wajid Ahmed | - | 3.89 |
| | Parvez Alam | - | 1.39 |
| 12 | Borrowings repaid to related parties | | |
| | Gulzeb Ahmed | 1.80 | - |
| | Mohammad Kamil Qureshi | 2.89 | - |
| | Mohammad Ashraf Qureshi | 54.46 | - |
| | Wajid Ahmed | 8.54 | 1.00 |
| | Gulzar Ahmad | 0.91 | 3.78 |
| | Parvez Alam | 1.10 | 1.39 |
| | Zulfiquar Ahmed Qureshi | 13.25 | - |
| | Mohammad Mehmood Qureshi | 17.58 | - |

For HMA AGRO INDUSTRIES LIMITED

Rashid Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

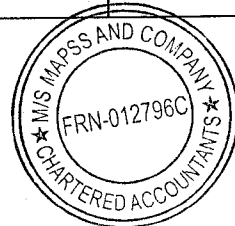
| | | | |
|-----------|---|----------|---|
| 13 | Gaurantee given on behalf of the Company | | |
| | Taj View Builder and Promoters Private Limited | 2,400.00 | - |
| | Taj View Construction Private Limited | 2,400.00 | - |
| | Gulzar Ahmad | 2,400.00 | - |
| | Zulfiqar Ahmad Qureshi | 2,400.00 | - |
| | Mohammad Ashraf Qureshi | 2,400.00 | - |
| | Wajid Ahmed | 2,400.00 | - |
| | Mohammad Kamil Qureshi | 2,400.00 | - |
| | Gulzeb Ahmed | 2,400.00 | - |
| | Zakiya Begaum | 2,400.00 | - |
| | Parvez Alam | 2,400.00 | - |
| | Nafees Begaum | 2,400.00 | - |

| Sr. No | Particulars | March 31, 2022 | March 31, 2021 |
|-----------|---|----------------|----------------|
| B | Balances | | |
| 14 | Trade Receivables | | |
| | HMA Leather Export Private Limited | - | 30.16 |
| 15 | Advance to related Parties | | |
| | HMA Hygienic Foods Industries Private Limited | - | 0.41 |
| | Federal Agro Industries Private Limited | - | 38.05 |
| 16 | Employee related obligations | | |
| | Gulzar Ahmad | - | 1.29 |
| | Gulzeb Ahmed | - | 4.42 |
| | Wajid Ahmed | - | 4.33 |
| | Zulfiqar Ahmad Qureshi | - | 4.88 |
| | Parvez Alam | - | 8.52 |
| | Mohammad Mehmood Qureshi | - | 4.43 |
| | Mohammad Kamil Qureshi | - | 7.54 |
| | Mohammad Ashraf Qureshi | - | - |
| 17 | Trade payable | | |
| | Mohammad Ashraf Qureshi | 3.26 | 0.44 |
| | Gausia Cold Storage Private Limited | 16.58 | - |
| | HMA Consumer Private Limited | 3.56 | - |
| | Ashraf Qureshi | 0.04 | 0.16 |
| | Gulzar Ahmed | 0.04 | 0.27 |
| | Mohd Kamil Qureshi | 0.04 | 0.30 |
| | Mohd. Mehmood Qureshi | - | 1.62 |
| | Nafees Begum | - | 0.11 |
| | Parvez Alam | 0.04 | 3.84 |
| | Wajid Ahmed | 0.07 | 0.23 |
| | Zulfiqar Ahmed Qureshi | 0.04 | 0.43 |
| 18 | Borrowings | | |
| | Gulzeb Ahmed | - | 1.80 |
| | Gulzar Ahmed | 2.00 | 2.91 |
| | Mohammad Mehmood Qureshi | - | 17.58 |
| | Mohammad Kamil Qureshi | - | 2.89 |
| | Parvez Alam | - | 1.10 |
| | Mohammad Ashraf Qureshi | 1.42 | 55.88 |
| | Zulfiqar Ahmed Qureshi | - | 13.25 |
| | Wajid Ahmed | - | 8.54 |

For HMA AGRO INDUSTRIES LTD.

E. A. Ahmed
Director

[Signature]



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

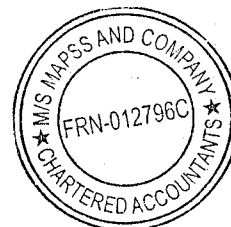
| Sr. No | Particulars | March 31, 2022 | March 31, 2021 |
|----------|---|----------------|----------------|
| C | Commitments | | |
| | Gaurantee given on behalf of the Company | | |
| | Taj View Builder and Promoters Private Limited | 2,400.00 | 1,650.00 |
| | Taj View Construction Private Limited | 2,400.00 | 1,650.00 |
| | Agra Better Homes LLP | 1,250.00 | 1,650.00 |
| | Gulzar Ahmad | 3,650.00 | 2,450.00 |
| | Zulfiqar Ahmad Qureshi | 3,650.00 | 2,450.00 |
| | Mohammad Ashraf Qureshi | 2,400.00 | 2,450.00 |
| | Mohammad Mehmood Qureshi | 2,400.00 | 1,650.00 |
| | Wajid Ahmed | 3,650.00 | 2,450.00 |
| | Mohammad Kamil Qureshi | 3,650.00 | 2,450.00 |
| | Gulzeb Ahmed | 3,650.00 | 2,450.00 |
| | Zakiya Qureshi | 2,400.00 | 2,450.00 |
| | Parvez Alam | 2,400.00 | 1,650.00 |
| | Nafees Begaum | 2,400.00 | 1,650.00 |

Note :

- 1 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.
- 2 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.
- 3 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.

For HMA AGRO INDUSTRIES LTD.

[Signature]
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(29) Financial risk management framework

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

The 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 Company held cash and cash equivalents and other bank balances of Rs. 699.63 millions as at March 31, 2022 (March 31, 2021 : Rs. 622.76 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 Company does not perceive any credit risk related to these financial assets.

b). Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Company has access to unused credit facility at the year end amounting to Rs 998.60 million towards working capital needs and Rs 31 million of unutilised approved term loan for capital expenditure of one of groups new facility.

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.

(Rs in millions)

| Particulars | Carrying amount | |
|---|-----------------|-----------|
| | <12months | >12months |
| March 31, 2022 | | |
| Non Derivative financial instruments | | |
| Borrowings | 2,690.82 | 609.35 |
| Trade payables | 794.60 | - |
| Other financial liabilities | 40.71 | - |
| March 31, 2021 | | |
| Non Derivative financial instruments | | |
| Borrowings | 1,763.00 | 50.34 |
| Trade payables | 678.58 | - |
| Other financial liabilities | 63.83 | - |

(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.

(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. 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:

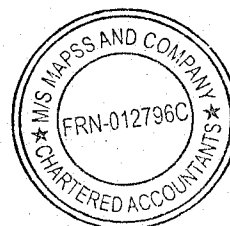
As at March 31, 2022

(In Rupees Million)

| Particulars | USD converted to INR |
|---|----------------------|
| Financial assets | |
| Trade receivables | 1,853.65 |
| Net exposure to foreign currency (assets) | 1,853.65 |
| Financial liabilities | |
| Advances received from customer | 356.63 |
| Derivative instruments | - |
| Net exposure to foreign currency (liabilities) | 356.63 |
| Net exposure to foreign currency | 1,497.02 |

For HMA AGRO INDUSTRIES LTD.

[Signature]
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

As at March 31, 2021

| Particulars | (in Rupees Million) | |
|---|----------------------|---------------|
| | USD converted to INR | |
| Financial assets | | |
| Trade receivables | | 719.37 |
| Derivative instruments | | |
| Net exposure to foreign currency (assets) | | 719.37 |
| Financial liabilities | | |
| Advances received from customer | | 321.77 |
| Derivative instruments | | |
| Net exposure to foreign currency (liabilities) | | 321.77 |
| Net exposure to foreign currency | | 397.60 |

Sensitivity analysis

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

| Particulars | (in Rupees Million) | |
|------------------|----------------------------|----------------|
| | Impact on profit after tax | |
| | March 31, 2022 | March 31, 2021 |
| USD | | |
| - Increase by 5% | 48.70 | 12.93 |
| - Decrease by 5% | (48.70) | (12.93) |

Outstanding Derivative contracts

The Group hedges exposures to changes in foreign currency. The counterparty for these contracts is a bank. Of the all instruments, majority instruments of forward contracts which are valued at fair value through profit and loss.

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

| Particulars | (in Rupees Million) | | | |
|--|----------------------|-----------------|----------------------|----------|
| | As at March 31, 2022 | | As at March 31, 2021 | |
| | USD | INR | USD | INR |
| Forward contracts | | | | |
| (fair valuation through profit and loss) | 20.09 | 1,551.74 | - | - |
| Total | 20.09 | 1,551.74 | - | - |

(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

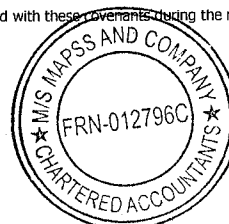
The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and 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 by 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, 2022 | March 31, 2021 |
| Borrowings | 3,300.17 | 1,813.35 |
| Less : Cash and cash equivalents | (185.28) | (516.85) |
| Less : Other bank balances | (514.36) | (105.91) |
| Net Debt | 2,600.53 | 1,190.59 |
| Equity | 3,916.49 | 2,601.22 |
| Total Capital | 3,916.49 | 2,601.22 |
| Total Capital and Net Debt | 6,517.01 | 3,791.81 |
| <i>Capital gearing ratio</i> | <i>0.40</i> | <i>0.31</i> |

For HMA Agro Industries Ltd.

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.

Prof. Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(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.

(a) Financial instruments by category

(in Rupees Million)

March 31, 2022

| Particular | Carrying amount | | Level |
|------------------------------------|-----------------------------------|-----------------|-------|
| | Fair value through profit or loss | Amortised cost | |
| Financial assets | | | |
| Non-current | | | |
| Other financial assets | - | 330.31 | - |
| Current | | | |
| Trade receivables | - | 2,897.46 | - |
| Cash and cash equivalents | - | 185.28 | - |
| Other bank balances | - | 254.94 | - |
| Other financial assets | - | 44.85 | 2 |
| Total financial assets | - | 3,712.84 | |
| Financial liabilities | | | |
| Non-current | | | |
| Borrowings | - | 609.35 | - |
| Current | | | |
| Borrowings | - | 2,690.82 | - |
| Trade payables | - | 794.60 | - |
| Other financial liabilities | - | 40.71 | - |
| Total financial liabilities | - | 4,135.48 | |

(in Rupees Million)

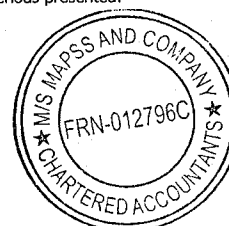
March 31, 2021

| Particular | Carrying amount | | Level |
|------------------------------------|-----------------------------------|-----------------|-------|
| | Fair value through profit or loss | Amortised cost | |
| Financial assets | | | |
| Non-current | | | |
| Other financial assets | - | 166.68 | - |
| Current | | | |
| Trade receivables | - | 1,567.41 | - |
| Cash and cash equivalents | - | 516.85 | - |
| Other bank balances | - | - | - |
| Other financial assets | - | 15.71 | - |
| Total financial assets | - | 2,266.65 | |
| Financial liabilities | | | |
| Non-current | | | |
| Borrowings | - | 50.34 | - |
| Current | | | |
| Borrowings | - | 1,763.00 | - |
| Trade payables | - | 678.58 | - |
| Other financial liabilities | - | 63.83 | - |
| Total financial liabilities | - | 2,555.75 | |

Note: Carrying amounts of cash and cash equivalents, bank balances, trade receivables, loans, borrowings, other financial liabilities and trade payables as at March 31, 2022 and March 31, 2021 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.

For HMA AGRO INDUSTRIES LTD.

Cast Malaney
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

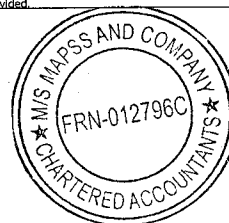
(31) Details of the outstanding borrowings, interest rate, security and repayment terms:

| (In Rupees Million) | | |
|---------------------|-----------------|-----------------|
| Particulars | March 31, 2022 | March 31, 2021 |
| Non Current | 609.35 | 50.34 |
| Current | 2,690.82 | 1,763.00 |
| Total | 3,300.17 | 1,813.34 |

| (In Rupees Million) | | | | |
|---------------------|----------------|----------------|----------------|---|
| Particulars | March 31, 2022 | March 31, 2021 | Interest rate | Secured against |
| L-1 | | 259.56 | MCLR + 075 bps | <p>On Completion of tenure of the WCCL facility</p> <p>1. Hypothecation of Raw materials, Book debts, Finished goods, Fixed deposits.</p> <p>2. Collateral Properties :</p> <p>I. Property in the name of Company :</p> <p>i. Khata no 77 plot number 4 & 5 and plot number 76, Khasra number 6/1 Village Talaspur khurd, Allgarh measuring 1.282 hectares and Land adjacent to above plot measuring 0.7874 hectares</p> <p>ii. Khata no 76 plot number 6/1 and Khata number 77 plot number 4 & 5, Village Talaspur khurd, Allgarh situated adjacent to factory land having total area of 0.7674 hectares.</p> <p>iii. Residential land at Nagar nigam no 1/132 professor colony, Agro</p> <p>iv. Industrial land comprising of 11 sale deeds located at Khata no. 501, 472, 510, 532, 491, 489, 572 and 563 Khasra no 287 Mi. Kuberpur, Mauza khas, Etmadpur measuring 8867 sq. meters.</p> <p>II. Property owned by HMA food's agro industries located at Khasra number 652 - G, Khata no 386, Mauza chaleser, Etmadpur, Agra</p> <p>III. Properties in name of Directors -</p> <p>i. Property owned by Gulzar Ahmed, Mohd Ashraf Qureshi and Mohd Mehmood Qureshi at Khata no 143, Khasra no 229, Mauza faltha, Mathura District.</p> <p>3. Personal Guarantee of : Gulzar Ahmed, Mohd Ashraf Qureshi, Zulfikar Ahmed Qureshi, Wajid Ahmed, Mohd Kamil Qureshi, Gulzeeb Ahmed, Zakiya Begaum, Qureshi.</p> |
| L-2 | 1,947.23 | 1,172.95 | 7.15% | <p>On Completion of tenure of the WCCL facility</p> <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 Sawal Tehsil Etmadpur District Agra</p> <p>ii. Property -2 (Non agricultural land) Non agricultural land 1/2 share of khasra no. 67 an area of 1.6595 Hectare out of 3.3190 Hectare, situated at Mauza Sawal 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 Sawal 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 Sawal 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 (Kotni 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 (Kotni 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 (Kotni 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 Patalla 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, Zulfikar 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> |

For HMA AGRO INDUSTRIES LTD.

C. J. Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

| Particulars | March 31, 2022 | March 31, 2021 | Interest rate | Repayment Period | Secured against |
|--------------|-----------------|-----------------|----------------|--|---|
| | | | | | 3. Corporate Guarantees of - Tajview Builder and Promoters Private Limited Tajview 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-3 | 704.42 | 196.22 | 7.10% | On Completion of tenure of the WC DL 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 gurantee of Gulzar Ahmed, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Gulzeeb Ahmed andd Zakiya Qureshi to remain valid during entire tenor of facility. 4. Unconditional and Irrevocable personal/corporate gurantee of colletral owner to remain valid during entire tenor of facility. |
| L-4 | 3.42 | 103.96 | Not applicable | Payable on demand | Unsecured Loans given by directors are repayable with no Interest rate. |
| | | | 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 1. 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 Shamsabad, Tehsil - Firozpur Jhirka, District Nuh, Mewat, Haryana. 3. Personal gurantee of Gulzar Ahmad, Zulfiqar Ahmad Qureshi, Wajid Ahmad, Gulzeeb Ahmad. |
| L-5 | 619.10 | 50.34 | | | |
| L-6* | 26.00 | 30.30 | NA | Payable on demand | Unsecured loan from other parties. No interest is payable on the same. |
| Total | 3,300.17 | 1,813.33 | | | |

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

Loan covenants :

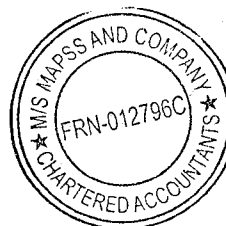
Bank loans contain certain debt covenants relating to limitation on indebtedness, debt-equity ratio, net Borrowings to EBITDA ratio and debt service coverage ratio. The limitation on indebtedness covenant gets suspended if the Group meets certain prescribed criteria. The debt covenant related to limitation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

For HMA AGRO INDUSTRIES LTD.
The Group has no debt due on any loans payable.

Wajid Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

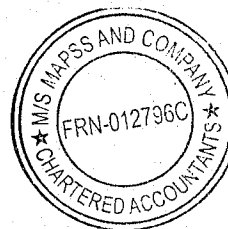
(32) Particulars of subsidiaries and associates considered in the preparation of the consolidated financial statements:

| Subsidiaries | Country of incorporation | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|--|--------------------------|----------------------|----------------------|----------------------|----------------------|
| (a) Subsidiaries directly held | | | | | |
| Federal Agro Industries Private Limited (w.e.f April 01, 2021) | | 60.00% | - | - | - |
| HMA Food Export Private Limited | | 100.00% | 100.00% | 100.00% | 100.00% |
| FNS Agro Foods Limited | | 100.00% | 100.00% | 100.00% | 100.00% |
| HMA Natural Foods Private Limited | | 90.36% | 90.36% | 90.36% | 90.36% |
| Swastik Bone and Gelatines Private Limited | | 100.00% | 100.00% | 100.00% | 100.00% |
| Laal Agro Food Private Limited (w.e.f. January 20, 2020) | India | 99.99% | 99.99% | 99.99% | - |
| United Farm Products Private Limited | | 100.00% | 100.00% | 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% | 50.00% | 50.00% |
| Reliable agro foods (w.e.f November 09, 2021) | | 95.00% | - | - | - |

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

For HMA AGRO INDUSTRIES LTD.

Asif I. Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(33) Summarised below are the restatement adjustments made to the Profit and loss and equity of the audited consolidated financial statements of the Group for the year ended March 31, 2021 and April 01, 2020 and their consequential impact on the equity of the Group:

(in Rupees Million)

| Reconciliation between audited profit / (loss) and restated profit / (loss) | | |
|---|------|----------------|
| Particulars | Note | March 31, 2021 |
| A. Profit / (loss) after tax (as per audited financial statements) | | 728.23 |
| B. Restatement adjustments | | |
| (i) Reversal of Interest on lease liabilities | a | 2.64 |
| (ii) Reversal of Amortisation on Right-to-use assets | a | 65.43 |
| (iii) Booking of Job work charges | a | (72.00) |
| (iv) Additional gratuity provision made including OCI component | b | (1.66) |
| C. Total Impact of adjustments (i)+(ii)+(iii) | | (5.59) |
| Restated profit / (loss) after tax (A+C) | | 722.64 |

(in Rupees Million)

| Particulars | Note | March 31, 2021 | April 01, 2020 |
|---|------|-----------------|-----------------|
| A. Total equity as per audited consolidated financial statements : | | 2,610.59 | 1,882.36 |
| B. Restatement Adjustments : | | | |
| (i) Reversal of Interest on lease liabilities | a | 2.64 | 13.21 |
| (ii) Reversal of Amortisation on Right-to-use assets | a | 65.43 | 119.72 |
| (iii) Booking of Facility utilisation charges | a | (72.00) | (129.00) |
| (iv) Cumulative impact of adjustment prior to March 31, 2020 | | (3.09) | (5.33) |
| (v) Additional gratuity provision made | b | (1.66) | (1.69) |
| C. Total Impact of adjustments | | (8.68) | (3.09) |
| D. Total equity as per restated consolidated financial statement | | 2,601.91 | 1,879.27 |

Note :

(a) Reversal of Interest on leases, Amortisation and Booking of facility utilisation charges :

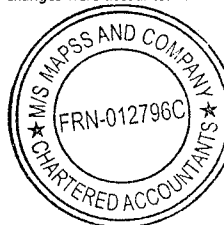
The Group has considered rectifying the accounting done under IndAS 116 on account of error. Earlier transactions were accounted under the principals of Ind AS 116, however subsequently it was discovered that the said transaction is not governed by Ind AS 116 and necessary changes were accounted for.

(b) Additional provision for Gratuity :

The Group has made additional provision for Gratuity provisions

For HMA AGRO INDUSTRIES LTD.

[Handwritten Signature]
[Handwritten Signature]
 Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

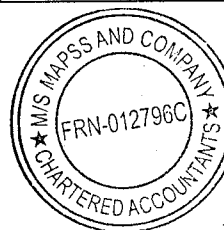
(34) Additional information pursuant to paragraph 2 of Division II - Schedule III to the Companies Act 2013 - " Part II - General instructions for the preparation of the

(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 | Amount | As % of Total comprehensive income | Amount |
| March 31, 2022 | | | | | | | | |
| Parent | | | | | | | | |
| HMA Agro Industries Limited | 74.83% | 2,930.80 | 94.43% | 1,099.93 | 100.00% | 0.62 | 94.41% | 1,100.55 |
| Subsidiary | | | | | | | | |
| HMA Food Export Private Limited | 3.38% | 132.55 | 1.77% | 20.63 | - | - | 1.77% | 20.63 |
| FNS Agro Foods Limited | 0.37% | 14.49 | -0.39% | (4.56) | - | - | -0.39% | (4.56) |
| Swastik Bone and Gelatines Private Limited | -0.18% | (7.06) | -0.08% | (0.92) | - | - | -0.08% | (0.92) |
| Laal Agro Food Private Limited | -0.15% | (5.84) | -0.38% | (4.45) | - | - | -0.38% | (4.45) |
| United Farm Products Private Limited | 4.10% | 160.54 | 0.21% | 2.42 | - | - | 0.21% | 2.42 |
| Indus Farmers Food Co. LLP | 0.85% | 33.23 | -0.01% | (0.06) | - | - | -0.01% | (0.06) |
| JFF Export Private Limited | 0.00% | (0.10) | 0.00% | (0.03) | - | - | 0.00% | (0.03) |
| HMA Natural Foods Private Limited | 0.61% | 23.88 | 0.00% | (0.03) | - | - | 0.00% | (0.03) |
| Federal Agro Industries Limited | 6.86% | 268.58 | 2.17% | 25.29 | - | 0.13 | 2.18% | 25.43 |
| Reliable agro foods | 4.19% | 164.12 | 0.80% | 9.27 | - | - | 0.80% | 9.27 |
| 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 | - | 0.15 | 1.50% | 17.46 |
| Total | 100% | 3,916.49 | 100% | 1,164.80 | 100% | 0.91 | 100% | 1,165.71 |
| March 31, 2021 | | | | | | | | |
| Parent | | | | | | | | |
| HMA Agro Industries Limited | 96.56% | 2,511.69 | 100.31% | 724.44 | 100.00 | 0.45 | 10100.31% | 724.89 |
| Subsidiary | | | | | | | | |
| HMA Food Export Private Limited | 3.66% | 95.08 | 1.04% | 7.50 | - | - | 1.04% | 7.50 |
| FNS Agro Foods Limited | 0.38% | 9.79 | -0.28% | (2.00) | - | - | -0.28% | (2.00) |
| Swastik Bone and Gelatines Private Limited | -0.62% | (16.11) | -1.19% | (8.61) | - | - | -1.19% | (8.61) |
| Laal Agro Food Private Limited | -0.05% | (1.42) | 0.17% | 1.26 | - | - | 0.17% | 1.26 |
| United Farm Products Private Limited | 0.00% | (0.00) | 0.00% | (0.00) | - | - | 0.00% | (0.00) |
| Indus Farmers Food Co. LLP | 0.00% | (0.12) | 0.00% | - | - | - | 0.00% | - |
| JFF Export Private Limited | -0.01% | (0.15) | -0.02% | (0.15) | - | - | -0.02% | (0.15) |
| HMA Natural Foods Private Limited | -0.04% | (0.95) | 0.00% | (0.00) | - | - | 0.00% | (0.00) |
| Joint Operations | | | | | | | | |
| International Agro Food Exports | -0.06% | (1.43) | -0.03% | (0.22) | - | - | -0.03% | (0.22) |
| Non Controlling Interest | | | | | | | | |
| | 0.19% | 4.85 | 0.00% | (0.03) | - | - | 0.00% | (0.03) |
| Total | 100% | 2,601.22 | 100% | 722.19 | 100% | 0.45 | 10100% | 722.64 |

FOR HMA AGRO INDUSTRIES LTD.

[Signature]
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(35) 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 amount is payable within one year of the acquisition date and same has been classified as current financial liabilities in balance sheet as at September 30, 2021. 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 shares 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:

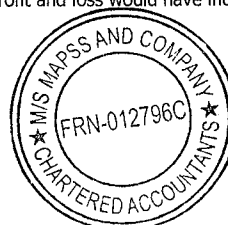
| (in Rupees Million) | | | |
|--|---------------|-----------------------|---------------|
| Particulars | Book Value | Fair value adjustment | Fair value |
| Property, plant and equipment (Refer Note 3) | 140.26 | - | 140.26 |
| Capital work in progress | 3.47 | - | 3.47 |
| Cash and cash equivalents | 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 since the date of acquisition contributed by Reliable is Rs 20 millions and Rs 9.75 million.

Had Reliable been consolidated from April 01, 2021 the consolidated statement of profit and loss would have included revenue of Rs 76 millions and profit after tax of Rs 18.62 million.

For HMA Agro Industries Ltd

Qasim Ahmed
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(36) Earnings per share

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Profit attributable to the equity holders of the Company (in Rupees Millions) | 1,147.51 | 722.22 |
| Weighted average number of equity shares for EPS (in nos)* | 47,512,875 | 47,512,875 |
| Adjustment for calculation of Diluted EPS (in nos) | - | - |
| Weighted average number of equity shares for Diluted EPS (in nos) | 47,512,875 | 47,512,875 |
| Earnings per share | | |
| - Basic | 24.15 | 15.20 |
| - Diluted | 24.15 | 15.20 |
| Face value per equity share (Rs.) | 10 | 10 |

*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, 2020.

(37) 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, 2022 | Year ended March 31, 2021 |
|-------------------------------------|------------------------------|------------------------------|
| (a) Profit and loss | | |
| Current tax | 411.87 | 227.05 |
| Tax expense relating to prior years | 10.15 | 3.93 |
| Deferred tax | (0.73) | 23.34 |
| Total tax expense | 421.29 | 254.32 |
| Income tax expense | 421.29 | 254.32 |

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

(in Rupees Million)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Profit before tax | 1,586.11 | 976.51 |
| Tax rate | 25.38% | 25.38% |
| Computed tax expense | 402.54 | 247.84 |
| Expenses not deductible for tax purpose | 3.00 | 2.55 |
| Tax expense relating to prior years | 10.15 | 3.93 |
| Impact of difference in tax rate | 3.02 | - |
| Deferred tax not created on losses of subsidiaries | 0.83 | - |
| Income tax expense | 419.85 | 254.32 |

The Group has not recognised deferred tax asset in respect of carried forward losses and unabsorbed depreciation amounting to Rs 27 millions (March 31, 2021 : Rs 30 millions). The aforeside tax losses will lapse in subsequent years as follows:

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------------------------|------------------------------|------------------------------|
| Within 0 - 5 years | 1 | 1 |
| From 5 - 8 years | 10 | 14 |
| Unabsorbed depreciation | 16 | 15 |

(38) 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.

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, 2022 | Year ended March 31, 2021 |
|-------------------|------------------------------|------------------------------|
| Vietnam | 5,750.09 | 2,467.00 |
| Malaysia | 4,064.45 | 2,314.00 |
| Hongkong | 1,469.87 | 3,380.00 |
| Indonesia | 1,598.60 | 1,040.00 |
| Egypt | 9,167.38 | 610.00 |
| India | 4,095.75 | 1,228.19 |
| Rest of the world | 4,685.77 | 6,035.78 |
| Total | 30,831.91 | 17,074.97 |

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

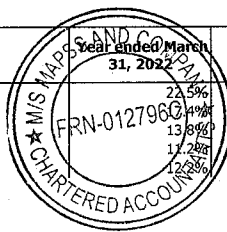
List of customer from which revenue from sale of product is more than 10 %

(in Percentage)

| Customer | Year ended March 31, 2022 | Year ended March 31, 2021 |
|------------|------------------------------|------------------------------|
| Customer A | 22.5% | 6.6% |
| Customer B | 4.9% | - |
| Customer C | 13.8% | - |
| Customer D | 11.2% | - |
| Customer E | 12.8% | 21.5% |

For HMA AGRO INDUSTRIES LTD.

Director
Director



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

Customer F
Customer G

1.1%

19.2%
14.9%

For HMA AGRO INDUSTRIES LTD.

[Signature] *[Signature]*

Director

[Signature]



HMA Agro Industries Limited

Notes to Consolidated Financial statements for the year ended March 31, 2022

(39) Commitments and contingent liabilities

| Particular | (in Rupees Million) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| (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 | 400.00 |
| (b) Income tax matters Income tax matters under appeal* | 50.00 | 50.00 |

*The Company believes that these claims are not tenable and hence no provision

(40) Corporate social responsibility

| Particular | (in Rupees Million) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Corporate social responsibility expenditure Amount required to be spent as per Section 135 of the Companies Act, 2013* | 14.51 | 7.45 |
| Amount spent during the year on: | | |
| (i) Construction / acquisition of an asset | - | - |
| (ii) Purposes other than (i) above | 16.36 | 7.45 |
| (iii) nature of CSR activities | | |
| - Contribution to Charitable trusts | 16.36 | 4.25 |
| - Contribution to Government funds | - | 3.20 |

(41) Other Statutory Information

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 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:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The 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:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(42) There are no material subsequent events which have occurred between the reporting date as on March 31, 2022 and adoption of financial statement by board of directors as May 09, 2022.

(43) The financial statements were authorised for issue by the Company's Board of directors on May 09, 2022.

(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 :
Date :

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

For HMA AGRO INDUSTRIES LTD.

CIN: U74110UP2008PLC034927

For HMA AGRO INDUSTRIES LTD.

Gulzar Ahmad
Director

Wajid Ahmed
Director

Gulzar Ahmad
Chairman
DIN : 01312305
Place :
Date :

Wajid Ahmed
Managing Director
DIN : 01312261
Place :
Date :

Nikhil Sundrani
Company Secretary
Membership number : 53307
Place: Agra
Date :25-07-2022

Gulzeb Ahmed
Chief financial officer
DIN : 06546660
Place: Agra
Date :25-07-2022

Director