



## **INDEPENDENT AUDITORS' REPORT**

TO THE MEMBERS OF  
HMA AGRO INDUSTRIES LIMITED

### **Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **HMA AGRO INDUSTRIES LIMITED ("the Company")** which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.





# Israni Anil & Co.

Chartered Accountants

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the (Standalone) financial statements

## OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its Profits and its Cash Flow for the year ended on that date.







**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, refer to our separate Report in "**Annexure B**" and





**Israni Anil & Co.**  
Chartered Accountants

- g. 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:
- i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in notes to these financial statements as to holding of specified bank notes on 8<sup>th</sup> November 2016 and 30<sup>th</sup> December as well as dealing in specified bank notes during the period from 08<sup>th</sup> November 2016 to 30<sup>th</sup> December 2016. Based on audit procedure and relying on the management representation regarding the holding and nature of cash transactions, including specified bank notes, we report that these disclosure are in accordance with books of accounts maintained by the company and as produced to us by the management.

**FOR ISRANI ANIL & CO.**

**Chartered Accountants**

**FRN : 013155C**

*Anil Israni*

**CA. Anil Kumar Israni**



**Proprietor**

**M.N. 405321**

**PLACE : AGRA**

**DATE : 28.09.2019**

**UDIN : 19405321AAAACP7370**



**" Annexure A to the Independent Auditors' Report on the Standalone Financial Statements**

The Annexure referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our Independent Auditors' Report to the members of HMA AGRO INDUSTRIES LIMITED for the year ended March 31, 2019:

1.
  - a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b. The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified in a phased manner on a rotational basis, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - c. According to the information and explanations given to us and on the basis of our examinations of the records of the Company, the title deeds of immovable properties are held in the name of the company.
2. According to the information and explanations given to us and on the basis of our examination of the records of the Company, we are of the opinion that the management has conducted the physical verification of inventory at reasonable intervals during the year. There are no material discrepancies were noticed between book stock and physical stock on physical verification conducted by the management.







3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
4. According to the information and explanations given to us and on the records of the Company, the Company has not given any guarantee to any party as covered under section 185 of the Act. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7.
  - a. According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.





- b. According to the records of the company and on the basis of information and explanation given to us, there is no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
8. The company has not defaulted in repayment of dues to any financial institutions or banks.
9. During the year the Company did not raised moneys by way of initial public offer or further public offer (including debt instruments) and term Loans.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion and according the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
13. According the information and explanations given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with section 177 and 188 of Act wherever applicable and the details of such transaction have been disclosed in the Financial Statements as required by the applicable accounting standards.





**Israni Anil & Co.**  
Chartered Accountants

14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. According to the information and explanations given to us and based on our examination of the records of the Company, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**FOR ISRANI ANIL & CO.**

**Chartered Accountants**

**FRN : 013155C**

*Anil Israni*

**CA. Anil Kumar Israni**



**Proprietor**

**M.N. 405321**

**PLACE : AGRA**

**DATE : 28.09.2019**

**UDIN : 19405321AAAACP7370**





**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of HMA Agro Industries Limited**

**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”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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.





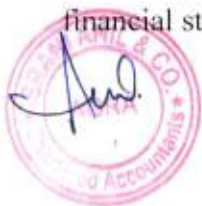
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal 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 Company's internal financial controls system over financial reporting.

#### **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, 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, 2019, 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 ISRANI ANIL & CO.**

**Chartered Accountants**

**FRN : 013155C**



**CA. Anil Kumar Israni**

**Proprietor**

**M.N. 405321**

**PLACE : AGRA**

**DATE : 28.09.2019**

**UDIN : 19405321AAAACP7370**



# HMA AGRO INDUSTRIES LIMITED

## BALANCE SHEET AS ON 31ST MARCH 2019

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	3,72,65,000.00	3,72,65,000.00
(b) Reserve & Surplus	4	1,37,30,00,058.09	1,11,09,27,365.12
<b>(2) Share Application Money Pending Allotment</b>			
-			
<b>(3) Non Current Liabilities</b>			
(a) Long Term Borrowings	5	1,04,11,177.67	68,72,616.00
(b) Deferred Tax Liabilities		-	-
(b) Other Long Term Borrowings	6	4,60,41,580.33	17,06,01,303.00
(b) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short Term Borrowings	7	1,18,62,69,221.49	1,16,71,90,435.31
(b) Sundry Creditors	8	2,48,32,87,541.47	87,47,30,388.13
(c) Other Current Liabilities	9	42,55,23,358.05	45,29,22,954.19
<b>TOTAL</b>		<b>5,56,17,97,937.10</b>	<b>3,82,05,10,061.75</b>
<b>II ASSETS</b>			
<b>(1) Non Current Assets</b>			
(a) Fixed Assets	10	35,61,91,908.23	35,10,73,339.52
(b) Non Current Investments	11	18,97,79,148.00	15,68,64,533.00
(c) Long Term Loans & Advances	12	2,18,26,880.00	1,11,08,707.00
(b) Other Non Current Assets	13	18,53,39,645.50	16,86,68,563.00
<b>(2) Current Assets</b>			
(a) Inventories	14	93,56,76,893.22	24,58,09,397.28
(b) Cash and Bank Equivalents	15	6,01,66,075.46	1,78,90,275.43
(c) Short Term Loans and Advances	16	47,80,99,458.38	37,47,12,290.00
(d) Sundry Debtors	17	3,32,58,23,455.31	2,48,85,20,308.52
(e) Deferred Tax Assets		88,94,473.00	58,62,648.00
<b>TOTAL</b>		<b>5,56,17,97,937.10</b>	<b>3,82,05,10,061.75</b>

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

As per our report of even date  
FOR ISRANI ANIL & CO.

Chartered Accountants

FRN : 013155C

*Anil Kumar*  
SD/-

CA. ANIL KUMAR ISRANI

Proprietor

M.N. : 405321

PLACE : AGRA

DATE : 28.09.2019

UDIN : 19405321AAAACPT310



For & on Behalf of Board of Directors of  
HMA AGRO INDUSTRIES LIMITED

*Wajid Ahmed*  
SD/-

(Wajid Ahmed)

Director

DIN : 01312261

R/o. 18/129-A, Malko  
Gali, Tajganj,  
AGRA - 282 001.

SD/-

(Gulzar Ahmad)

Director *Gulzar Ahmad*

DIN : 01312305

R/o. 18/14-A, Malko  
Gali, Tajganj,  
AGRA - 282 001.

## HMA AGRO INDUSTRIES LIMITED

### STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2019

Particulars	Note No.	For the period ended 31st March, 2019	For the period ended 31st March, 2018
Revenue from Operations (Gross)	18	27,42,22,98,473.50	21,13,77,25,785.00
Less : Excise Duty		-	50,470.00
<b>Revenue from Operations (Net)</b>		<b>27,42,22,98,473.50</b>	<b>21,13,76,75,315.00</b>
Other Income	19	41,08,78,146.55	31,40,77,270.71
<b>I. Total Revenue</b>		<b>27,83,31,76,620.05</b>	<b>21,45,17,52,585.71</b>
Cost of Raw Material Consumed	20	23,75,31,68,884.61	18,40,62,31,323.00
Changes in Inventories	21	(66,55,78,213.94)	(13,22,82,523.28)
Employee Benefit Expenses	22	81,72,18,696.16	34,41,18,468.42
Financial Cost	23	5,54,77,997.61	5,73,22,226.57
Depreciation & Amortisation Expenses		4,44,01,896.92	4,59,08,104.25
Payment to Auditors	24	5,00,000.00	-
Other Expenses	25	3,34,81,19,439.72	2,26,63,30,983.58
<b>II. Total Expenses</b>		<b>27,35,33,08,701.08</b>	<b>20,98,76,28,582.54</b>
<b>III. Profit Before Tax</b>		<b>47,98,67,918.97</b>	<b>46,41,24,003.17</b>
<b>IV. Tax Expenses</b>			
a Current Tax		17,50,00,000.00	16,75,00,000.00
b Deferred Tax		(30,31,825.00)	(35,23,872.00)
<b>V. Profit /(Loss) for the period from Continuing Operation</b>		<b>30,78,99,743.97</b>	<b>30,01,47,875.17</b>
<b>VI. Earnings Per Equity Share</b>			
a Basic		82.62	80.54
b Diluted		82.62	80.54

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

As per our report of even date

FOR ISRANI ANIL & CO,

Chartered Accountants

FRN : 013155C

*Anil Israni*  
SD/-

CA. ANIL KUMAR ISRANI

Proprietor

M.N. : 405321



For & on Behalf of Board of Directors of

HMA AGRO INDUSTRIES LIMITED

*Wajid Ahmed*  
SD/-

(Wajid Ahmed)

Director

DIN : 01312261

R/o. 18/129-A, Malko  
Gali, Tajganj,  
AGRA - 282 001.

SD/-

(Gulzar Ahmad)

Director

DIN : 01312305

R/o. 18/14-A, Malko  
Gali, Tajganj,  
AGRA - 282 001.

PLACE : AGRA

DATE : 28.09.2019

UDIN : 19405321AAAACP7370

# HMA AGRO INDUSTRIES LIMITED

## Statement of Cash Flows

For the Years Ending March 31, 2019 and March 31, 2018

	2019		2018	
<b>A Cash Flows from Operating Activities</b>				
Net Profit before Tax and Extraordinary Items		47,98,67,918.97		46,41,24,003.17
<b>Adjustment for :</b>				
Depreciation, Impairment and Amortisation	4,44,01,896.92		4,59,08,104.25	
(Profit) /Loss on Sale of Fixed Assets			(1,04,397.00)	
Interest Expenses (Net)	3,08,03,428.01	7,52,05,324.93	4,35,13,562.75	8,93,17,270.00
<b>Operating Profit before working Capital Changes</b>		55,50,73,243.90		55,34,41,273.17
<b>Changes in Working Capital</b>				
(Increase) /Decrease in Trade Receivables	(83,73,03,146.79)		(1,35,35,08,119.38)	
(Increase) /Decrease in Inventories	(68,98,67,495.94)		(14,08,90,307.28)	
(Increase) /Decrease in Current Assets			(27,48,000.00)	
(Increase) /Decrease in Loans and Advances	(10,33,87,168.38)		(24,82,92,200.39)	
Increase /Decrease in Trade Payable and Provisi	1,58,11,57,557.20	(4,94,00,253.91)	11,95,05,996.78	(1,62,59,32,630.27)
Cash Generated from Operations		50,56,72,989.99		(1,07,24,91,357.10)
Direct Tax (Paid) /Refund (Net)		(21,99,98,133.50)		(12,24,03,163.00)
<b>Net Cash Flow from Operating Activities</b>		28,56,74,856.49		(1,19,48,94,520.10)
<b>B Cash Flows from Investing Activities</b>				
Purchase of Fixed Assets	(4,95,20,465.63)		(2,11,65,928.77)	
Sale of Fixed Assets			65,96,018.00	
Advance for Property	(1,75,00,000.00)			
Increase in Security Deposits	(1,07,18,173.00)			
Increase in Bank and Other Financing	(10,19,42,374.82)		69,80,17,274.31	
<b>Net Cash Flow from Investing Activities</b>		(17,96,81,013.45)		68,34,47,363.54
<b>C Cash Flow from Financing Activities</b>				
Interest Paid (Net)	(3,08,03,428.01)		(4,35,13,562.75)	
Increase in Non Current Investment	(3,29,14,615.00)			
<b>Net Cash Flow from Financing Activities</b>		(6,37,18,043.01)		(4,35,13,562.75)
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>		4,22,75,800.03		(55,49,60,719.31)
Cash and Cash Equivalents at Opening of the Year		1,78,90,275.43		57,28,50,994.74
Cash and Cash Equivalents at Closing of the Year		6,01,66,075.46		1,78,90,275.43
		(0.00)		

As per our report of even date

FOR ISRANI ANIL & CO.

Chartered Accountants

FRN : 013155C

*Acil Israni*

CA. ANIL KUMAR ISRANI

Proprietor

M.N. : 405321

PLACE : AGRA

DATE : 28.09.2019



For & on Behalf of Board of Directors of  
HMA AGRO INDUSTRIES LIMITED

*Wajid Ahmed*  
Wajid Ahmed)  
Director  
DIN : 01312261  
R/o. 18/129-A, Malko  
Gali, Tajganj,  
AGRA - 282 001.

*Gulzar Ahmad*  
(Gulzar Ahmad)  
Director  
DIN : 01312305  
R/o. 18/14-A, Malko  
Gali, Tajganj,  
AGRA - 282 001.



**HMA AGRO INDUSTRIES LIMITED**

**NOTES TO BALANCE SHEET**

**3 Share Capital**

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
(a)	<b>Authorised</b> 65,00,000/- Equity Shares of Rs. 10/- per share	6,50,00,000.00	6,50,00,000.00
		<b>6,50,00,000.00</b>	<b>6,50,00,000.00</b>
(b)	<b>Issued Subscribed and Paid-Up</b> 37,26,500/- Equity Shares of Rs. 10/- per share	3,72,65,000.00	3,72,65,000.00
		<b>3,72,65,000.00</b>	<b>3,72,65,000.00</b>

(c) **The reconciliation of the number of shares outstanding as at 31st March, 2019 is set out below**

Ref. No.	Particulars	No. of Shares as at 31st March 2019	No. of Shares as at 31st March 2018
	<b>Equity Shares</b>		
	Number of Shares at the beginning of the year	37,26,500.00	37,26,500.00
	Add : Shares issued during the year	-	-
	Number of Shares at the end of the year	<b>37,26,500.00</b>	<b>37,26,500.00</b>

(d) **The Details of shareholder holding more than 5% of shares as at 31st March, 2019 is set out below**

Ref. No.	Particulars	No. of Shares	% of Shares
	<b>Equity Shares</b>		
	Mohd Ashraf Qureshi	5,96,240.00	16.00%
	Mohd Mehmood Qureshi	5,96,240.00	16.00%
	Wajjid Ahmed	11,92,480.00	32.00%
	Zulfiquar Ahmed Qureshi	5,96,240.00	16.00%
	Gulzar Ahmad	5,96,240.00	16.00%
		<b>35,77,440.00</b>	<b>96.00%</b>

(e) **Rights, Preference & Restrictions attaching to each class of shares.**

The Company has only one class of shares referred to as Equity Shares having a par value of Rs. 10/- each. Each holder of Equity shares is entitled to one vote share and only received dividend.

*Aadil Ishaq*



*Adil A*

#### 4 Reserve and Surplus

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
(a)	<b>Security Premium Account</b>		
	As per last Balance Sheet	3,41,96,500.00	3,41,96,500.00
	Add : Addition during the year	-	-
	At the end of the year	3,41,96,500.00	3,41,96,500.00
(b)	<b>Capital Subsidy</b>		
	As per last Balance Sheet	50,00,000.00	50,00,000.00
	Add : Addition during the year	-	-
	At the end of the year	50,00,000.00	50,00,000.00
(c)	<b>General Reserve</b>		
	As per last Balance Sheet	40,00,00,000.00	40,00,00,000.00
	Add : Addition during the year	20,00,00,000.00	-
	At the end of the year	60,00,00,000.00	40,00,00,000.00
(d)	<b>Surplus / (Deficit) in Profit and Loss Account</b>		
	As per last Balance Sheet	67,17,30,867.12	40,58,25,130.75
	Add : Profit /(Loss) for the year	30,78,99,743.97	30,01,47,875.17
	Adjustment Taxes for Last Year	(4,58,27,053.00)	(3,42,42,140.80)
	Less : Transfer to General Reserve	20,00,00,000.00	-
		73,38,03,558.09	67,17,30,865.12
	<b>At the end of the year</b>	<b>1,37,30,00,058.09</b>	<b>1,11,09,27,365.12</b>

#### 5 Long Term Borrowings

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Car Loan from Carana Bank	54,93,706.00	68,72,616.00
	Car Loan from BMW I Finserve Pvt Ltd	49,17,471.67	-
		<b>1,04,11,177.67</b>	<b>68,72,616.00</b>

#### 6 Other Long Term Borrowings

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
6.1	Unsecured Loans from Directors	26,54,717.33	1,48,34,452.00
6.2	Unsecured Loans from NBFC	4,33,86,863.00	15,57,66,851.00
		<b>4,60,41,580.33</b>	<b>17,06,01,303.00</b>

#### 7 Short Term Borrowings

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Canara Bank EPC Account	39,99,87,974.92	44,36,55,591.22
	HDFC Bank EPC Account	69,99,01,344.17	69,98,99,874.78
	HDFC Foreign Bill Purchase	8,63,79,902.40	2,36,34,969.31
		<b>1,18,62,69,221.49</b>	<b>1,16,71,90,435.31</b>

#### 8 Sundry Creditors

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
8.1	Sundry Creditors for Goods	2,15,11,94,972.70	73,12,27,283.00
8.2	Sundry Creditors for Others	33,20,92,568.77	14,35,03,105.13
		<b>2,48,32,87,541.47</b>	<b>87,47,30,388.13</b>

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**9 Other Current Liabilities**

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
9.1	Expenses Payables	14,27,00,450.87	6,82,35,222.00
9.2	Other Payables	20,90,93,534.00	10,16,39,891.81
9.3	Advances from Debtors	7,37,29,373.18	28,30,47,840.38
		<b>42,55,23,358.05</b>	<b>45,29,22,954.19</b>

**11 Non Current Investments**

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Equity Shares of Swastik Bones & Gelatines Pvt L	1,35,00,000.00	1,35,00,000.00
	Capital Investment in International Agro Food Exp	2,96,56,713.00	2,08,45,457.00
	Equity Shares of FNS Agro Foods Ltd	33,90,000.00	33,90,000.00
	Equity Shares of HMA Natural Foods Ltd	2,25,00,000.00	2,25,00,000.00
	Equity Shares of HMA Food Export Pvt Ltd	8,60,16,600.00	8,60,16,600.00
	Equity Shares of United Farm Products Pvt Ltd	1,50,000.00	-
	Capital Investment in Indus Farmers Food Co LLP	3,02,87,033.00	64,00,000.00
	FDR with Axis Bank	10,000.00	10,000.00
	FDR with ICICI Bank & Intt Accrued Thereon	1,76,125.00	1,65,026.00
	FDR with Vijaya Bank & Intt Accrued Thereon	8,92,677.00	8,37,450.00
	FDR with Caanara Bank	32,00,000.00	32,00,000.00
		<b>18,97,79,148.00</b>	<b>15,68,64,533.00</b>

**12 Long Term Loans & Advances**

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Security Deposit	2,18,26,880.00	1,11,08,707.00
		<b>2,18,26,880.00</b>	<b>1,11,08,707.00</b>

**13 Other Non Current Assets**

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Advance Income Tax	16,59,39,645.50	16,67,68,563.00
	Advance for Property	1,94,00,000.00	19,00,000.00
		<b>18,53,39,645.50</b>	<b>16,86,68,563.00</b>

**14 Inventories**

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	Stock - Finished Goods	88,84,28,511.22	22,28,50,297.28
	Stock - Raw Material	15,06,262.00	-
	Stock - Spare Parts	2,40,62,820.00	1,12,45,700.00
	Stock - Packing Material	1,86,50,700.00	94,25,800.00
	Stock - Diesel	30,28,600.00	22,87,600.00
		<b>93,56,76,893.22</b>	<b>24,58,09,397.28</b>

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15 Cash and Bank Balances

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
	<b>Cash and Cash Equivalents</b>		
	Cash in Hand	1,99,72,285.00	3,54,07,569.00
	<b>Balance with Banks</b>		
	Balance with Canara Bank C/C Account	3,17,842.20	2,89,921.36
	Balance with Canara Bank Current Account	4,60,230.68	(2,97,39,427.96)
	Balance with Canara Bank EEFC Account	21,076.10	-
	Balance with HDFC Bank EEFC Account	2,92,95,577.02	-
	Balance with ICICI Bank Current Account	18,960.83	2,48,448.83
	Balance with HDFC Bank Current Account	9,05,160.77	29,19,648.01
	Balance with HDFC Bank Current Account	5,51,944.00	12,11,921.69
	Balance with HDFC Bank Current Account	3,81,252.00	1,48,702.00
	Balance with HDFC Bank Current Account	18,502.98	1,43,758.25
	Balance with HDFC Bank Current Account	11,41,818.30	1,46,193.00
	Balance with HDFC Bank Current Account	20,63,324.00	6,92,062.00
	Balance with HDFC Bank Current Account	1,04,587.00	1,04,764.00
	Balance with SBI Current Account	3,64,974.85	11,559.50
	Balance with Axis Bank Current Account	1,06,252.51	1,06,252.51
	Balance with Axis Bank Current Account	6,26,597.52	51,58,289.54
	Balance with Axis Bank Current Account	38,15,689.70	10,40,613.70
		<b>6,01,66,075.46</b>	<b>1,78,90,275.43</b>

16 Short Term Loans and Advances

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
16.1	Advances to Suppliers	64,34,876.61	13,96,81,879.61
16.2	Advances to Others	34,57,18,289.93	15,57,53,273.00
	Loan to Staff	16,30,000.00	-
	Drawback Receivable	2,02,50,011.39	4,66,72,148.39
	GST Input / Refund	10,35,49,570.45	3,05,34,319.00
	Prepaid Expenses	5,16,710.00	20,70,670.00
		<b>47,80,99,458.38</b>	<b>37,47,12,290.00</b>

17 Sundry Debtors

Ref. No.	Particulars	As at 31st March, 2019	As at 31st March, 2018
17.1	Sundry Debtors (Unsecured and Considered Good)		
	Outstanding for a period exceeding Six Months	-	-
	Others	3,32,58,23,455.31	2,48,85,20,308.52
		<b>3,32,58,23,455.31</b>	<b>2,48,85,20,308.52</b>

18 Revenue from Operations

Ref. No.	Particulars	for the period 2018-2019	for the period 2017-2018
	<b>Sale of Products</b>		
	Sale Domestic	2,76,16,38,643.50	2,21,36,40,223.00
	Sale Export	24,66,06,59,830.00	18,92,40,85,562.00
		<b>27,42,22,98,473.50</b>	<b>21,13,77,25,785.00</b>

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19 Other Income

Ref. No.	Particulars	for the period 2018-2019	for the period 2017-2018
	Duty Drawback Received	3,56,29,466.00	5,11,93,128.39
	Profit & Loss on Currency Fltuation	36,76,50,700.57	21,82,46,556.32
	Interest Received on FDR	75,97,979.98	21,46,689.00
	Interest on Security Deposit	-	2,17,000.00
	Profit on Sale of Fixed Assets	-	1,04,397.00
	Freezing Charges Received	-	4,21,69,500.00
		<b>41,08,78,146.55</b>	<b>31,40,77,270.71</b>

20 Cost of Material Consumed

Ref. No.	Particulars	for the period 2018-2019	for the period 2017-2018
	Opening Stock of Raw Material	-	-
	Add : Purchases	23,75,46,75,146.61	18,40,62,31,323.00
		23,75,46,75,146.61	18,40,62,31,323.00
	Less : Closing Stock of Raw Material	15,06,262.00	-
	<b>Total Raw Material Consumed</b>	<b>23,75,31,68,884.61</b>	<b>18,40,62,31,323.00</b>

21 Changes of Inventories of Finished Goods, Work in Progress and Stock in Trade

Ref. No.	Particulars	for the period 2018-2019	for the period 2017-2018
	Opening Stock of Finished Goods	22,28,50,297.28	9,05,67,774.00
		<b>22,28,50,297.28</b>	<b>9,05,67,774.00</b>
	Less : Closing Stock of Finished Goods	88,84,28,511.22	22,28,50,297.28
	<b>Changes in Inventories (Increase) / Decrease</b>	<b>(66,55,78,213.94)</b>	<b>(13,22,82,523.28)</b>

22 Employee Benefit Expenses

Ref. No.	Particulars	for the period 2018-2019	for the period 2017-2018
	Salary & Wages	67,14,44,768.00	30,56,23,300.00
	Bonus Expenses	2,29,99,938.00	2,21,11,246.00
	EPF Expenses	86,02,718.00	79,48,771.00
	ESI Expenses	22,80,217.00	20,29,540.00
	Leave Encashment	16,18,681.00	61,45,542.00
	Staff Welfare Expenses	14,52,923.38	1,77,755.38
	Labour Expenses	10,87,54,828.50	-
	Medical Expenses	64,622.28	82,314.04
		<b>81,72,18,696.16</b>	<b>34,41,18,468.42</b>

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23 Finance Cost

Ref. No.	Particulars	For the period 2018-2019	For the period 2017-2018
	Bank Charges	79,59,828.53	85,76,719.63
	Bank Interest on Working Capital	3,73,38,255.32	4,21,27,890.75
	Bank Interest on Car Loan	6,32,858.67	7,28,359.00
	Foreign Bank Charges	91,16,288.09	52,31,944.19
	Interest on Custom Duty	473.00	-
	Interest on CST	-	2,831.00
	Interest on TDS	4,30,294.00	6,36,882.00
	Interest on Service Tax	-	17,344.00
	Interest on Excise Duty	-	256.00
		<b>5,54,77,997.61</b>	<b>5,73,22,226.57</b>

24 Payment to Auditors

Ref. No.	Particulars	For the period 2018-2019	For the period 2017-2018
	Auditors Remuneration		
	For Audit Fees	5,00,000.00	-
		<b>5,00,000.00</b>	<b>-</b>

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## 25 Other Expenses

Ref. No.	Particulars	for the period 2018-2019	for the period 2017-2018
	Cleaning Expenses	66,01,158.17	64,56,227.97
	Consumable Expenses	4,28,55,412.24	2,50,42,560.76
	Electricity Expenses (Others)	12,05,625.00	12,01,086.00
	Rounded Off	66,669.21	(4,756.23)
	Freezing Charges Paid	18,42,16,156.00	21,92,89,972.00
	Slaughter Charges Paid	12,20,08,567.00	2,37,88,165.00
	Packing Expenses	30,02,52,197.00	25,28,52,952.72
	Power & Fuel	49,36,22,630.55	36,98,53,341.75
	Fees & Taxes	6,57,709.00	3,31,663.00
	Lab Expenses	1,60,848.00	8,13,207.01
	Repair & Maintenance Machinery	20,60,86,997.31	10,33,39,981.09
	Repair & Maintenance Building	24,44,130.09	94,39,879.93
	Charity & Donation	9,52,856.00	22,50,840.00
	Directors' Remuneration	4,39,00,000.00	4,11,50,000.00
	Service Tax Paid	-	5,14,279.00
	Insurance Expenses	26,04,482.00	15,49,166.00
	Legal & Professional Expenses	2,03,49,397.12	1,30,60,215.13
	Membership & Subscription	1,78,150.00	1,50,281.00
	Misc. / Office / General Expenses	16,17,549.22	10,73,738.76
	Postage & Courier	17,10,087.49	15,70,214.76
	Printing & Stationery Expenses	69,44,602.71	34,63,255.45
	Factory / Machinery / Office / Flat Rent Expenses	20,45,68,854.00	12,59,19,604.00
	Cooling Charges	3,03,91,811.00	21,73,790.00
	Security Expenses	2,79,61,178.00	1,66,00,469.00
	Telephone & Internet Expenses	36,64,138.08	27,19,426.84
	VAT Paid	-	-
	Testing Expense	9,05,496.00	6,27,452.00
	Tour & Travelling Expenses	1,74,10,083.63	1,59,93,080.42
	Advertisement Expenses	29,048.00	78,480.00
	Commission on Sales	33,19,56,665.50	2,29,30,742.50
	Container Levy Fees	59,24,509.00	47,75,913.00
	Discount on Sales	8,10,724.01	94,75,620.93
	ECGC Expenses	15,88,456.00	13,52,104.93
	Entertainment Expenses	7,55,401.00	6,60,722.86
	Export Expenses	11,61,71,016.33	5,34,34,885.93
	Export Freight - Overseas	63,09,31,848.94	58,99,54,081.86
	Export Freight - Domestic by Road	31,58,76,408.50	12,80,88,031.80
	Export Freight - Domestic by Rail	19,04,88,020.76	18,36,40,864.00
	Freight Others	24,44,113.34	1,08,66,454.16
	Loading / Unloading Charges	2,66,575.00	-
	Sundry Balance W/off	(30,91,827.87)	(15,13,059.66)
	Repair & Maintenance Vehicle	10,13,551.38	26,57,395.00
	Vehicle Running Expenses	62,46,698.95	-
	Conveyance Expenses	15,169.00	87,722.00
	Sales Promotion Expenses	23,89,368.68	12,43,570.31
	Trade Fair Expenses	77,49,564.00	88,72,902.00
	Computer Expenses	11,49,877.38	7,38,278.60
	CSR Expenses	47,54,498.00	67,00,000.00
	CST / VAT / GST Paid	73,12,969.00	10,66,180.00
		<b>3,34,81,19,439.72</b>	<b>2,26,63,30,983.58</b>

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HMA AGRO INDUSTRIES LIMITED

NOTES TO BALANCE SHEET

10 FIXED ASSETS

S.N.	Name of the Assets	Gross Block as on 01.04.2018	Addition	Deletions	Gross Block as on 31.03.2019	Depreciation as on 01.04.2018	Depreciation for the year	Deletions	Depreciation as on 31.03.2019	Closing WDV as on 31.03.2019	Closing WDV as on 31.03.2018
<b>I</b>	<b>TANGIBLE ASSETS</b>										
<b>A</b>	Land	12,29,45,235.00	2,20,000.00	-	12,31,65,235.00	-	-	-	-	12,31,65,235.00	12,29,45,235.00
<b>B</b>	Building	11,31,07,596.74	1,17,796.70	-	11,32,25,393.44	4,11,18,585.74	42,84,502.00	-	4,54,03,087.74	6,78,22,305.70	7,19,89,011.00
<b>C</b>	Office Equipments	2,42,81,127.97	47,23,777.93	-	2,90,04,905.90	1,66,35,035.20	37,28,905.92	-	2,03,63,941.12	86,40,964.78	76,46,092.77
<b>D</b>	Plant & Machinery	39,37,41,770.52	1,97,30,511.00	-	41,34,72,281.52	26,44,92,230.77	2,74,37,686.00	-	29,19,29,916.77	12,15,42,364.75	12,92,49,539.75
<b>E</b>	Vehicles	4,63,40,635.00	2,47,28,380.00	-	7,10,69,015.00	2,70,97,174.00	89,50,803.00	-	3,60,47,977.00	3,50,21,038.00	1,92,43,461.00
	<b>TOTAL</b>	70,04,16,365.23	4,95,20,465.63	-	74,99,36,830.86	34,93,43,025.71	4,44,01,896.92	-	39,37,44,922.63	35,61,91,908.23	35,10,73,339.52
	Previous Year Figures	68,76,11,706.46	2,11,65,928.77	83,61,270.00	70,04,16,365.23	30,53,04,570.46	4,59,08,104.25	18,69,649.00	34,93,43,025.71	35,10,73,339.52	38,23,07,136.00



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# **HMA AGRO INDUSTRIES LIMITED**

## **SIGNIFICANT ACCOUNTING POLICIES**

### **A. COMPANY OVERVIEW :**

HMA AGRO INDUSTRIES LIMITED ("the company") is a limited unlisted company incorporated under the provisions of the Companies Act, 2013. The company is dealing in manufacturing of meat and meat products.

### **B. SIGNIFICANT ACCOUNTING POLICES**

#### **1. Accounting Conventions**

The financial statements are prepared under the historical cost convention and following the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('I-GAAP') and mandatory accounting standards as notified under the relevant provisions of the company Act, 2013.

#### **2. Use of Estimates**

The preparation of financial statement, in conformity with I- GAAP requires the management to make estimates and assumption that affect the reported amount of assets and liabilities disclosure of contingent liabilities at the date of the financial statement and the reported amount of revenues and expenses during the reporting period. Differences between the actual result and the estimates are recognized prospectively in the year in which the result are known / materialized.

#### **3. Fixed assets and intangible assets**

Fixed assets are assets held with the intention of being used for the purpose of producing goods of rendering of services and are not held for sale in the ordinary course of business. The cost of fixed assets comprise the purchase price including import duties and other non refundable taxes of levies and any directly attributable cost to bring the assets to working condition for intended use. Further, any trade discount and rebates are deducted in arriving at the cost.

Intangible assets are identifiable nonmonetary assets. Without physical substance, held for use in producing goods or rending of services for rental to others, or for administrative purpose. The intangible assets are separately acquired and the costs of intangible assets comprise the purchase price including import duties and other non refundable taxes of levies and any directly attributable cost for making the assets ready for intended use.



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#### 4. **Depreciation and amortization**

Depreciation on fixed assets is provided based on useful life of the assets, on written down method in accordance with the rates prescribed under Schedule II of the Companies Act, 2013.

#### 5. **Investment**

Investments are classified into long-term and current investment based on the intention of the management at the time of acquisition.

Long-term investments are stated at cost less provision for diminution in value other than temporary, if any current investments are carried at cost or fair value whichever is lower.

#### 6. **Earnings per share ('EPS')**

Basic EPS is calculated by dividing the net profit or less after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated on the same basis as Basic EPS, after adjusting for the effects of potential dilutive equity share unless the effect of the potential dilutive equity shares is anti-dilutive.

#### 7. **Revenue recognition**

- a. Sales are accounted on the basis of dispatches in accordance with the terms of sale when significant risks and reward are transferred to the customer.
- b. Sales include billed items but dispatch of which is withheld at the request of the customer.
- c. Revenue from services is recognized in accordance with the specific terms of contract on performance.
- d. Other Income
  - i. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

#### 8. **Inventories**

Raw materials and stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used are expected to be sold at or above cost. Work-in-progress and finished goods are valued at lower of cost and net realizable value. Finished goods and work-in-progress include cost of conversion and other costs incurred in bringing the inventories to



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their present location and condition. By-products, whose cost is not identified, is value at net realizable value.

#### 9. **Foreign currency transaction**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction. Monetary items are translated at the rates prevailing on the reporting date. The exchange difference between the rate prevailing on the date of transaction and on the date of settlement and also on translation of monetary items at the reporting date is recognized as income or expense, except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the value were determined.

For forward contracts which are entered into to hedge the foreign currency risk of the underlying outstanding on the date of entering into that forward contract, the premium or discount on such contracts is amortized as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as an income or expense for the period. The exchange difference on such a forward exchange contracts is calculated as the difference between

- a. the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and
- b. the same foreign currency amount translated at the later of the date of inception of the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

#### 10. **Cash Flows**

Cash and cash equivalents consist of cash and cash on deposit with scheduled banks, other than margin money deposits.

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transaction of a non-cash nature and any deferrals of accruals of past or future operating cash receipts or payments and items of income or expense associated, with



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investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

#### 11. **Income Taxes**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the provision of the Income-tax Act, 1961. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between taxable incomes and accounting income which is capable of reversal in subsequent period and are measured using the tax rates and tax laws that have been enacted of substantively enacted by the reporting date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty that they can be realized against future taxable profits.

Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period in which the company is allowed to carry forward the MAT credit as per the provision of the Income-tax Act, 1961 (specified period) . The company reviews the same at each reporting date and writes down the carrying amount of MAT credit asset to the extent there is no longer convincing evidence to the effect that the company will pay normal income-tax during the specified period.

#### 12. **Impairment of Assets**

At every reporting date, the company determines whether the provisions should be made for the impairment loss on assets by considering the indications that the carrying amount of the asset exceeds the recoverable amount as per recognition and measurement principle laid down in AS-28 "Impairment of Assets". All impairment losses are recognized in statement loss is reversed if there has been a change in the estimates used to and is recognized in the statement of profit and loss.



*Misrani Anil*



### 13. Employee Benefits

#### a. Short-terms employee benefits :

Short-term employee benefits are recognized as an expenses at the undiscounted amount in the statement of profit and loss for the year in which related services are rendered.

#### b. Post employment benefits

- i. Defined contribution plan : Company's contribution paid/ payable during the year towards provident fund, pension scheme and employees' insurance (ESI) scheme are recognized in the statement of profit and loss.
- ii. All actuarial gains/ losses in respect of post employment benefits and other long term employee benefits are charged to the statement of profit and loss.

### 14. Borrowing costs

Borrowing costs that are attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which they are incurred.

### 15. Leases

Finance leases, which transfer to the company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liabilities based on the implicit interest rate or incremental borrowing rate as applicable. Finance charges are charged directly against income. The costs identified as directly attributable to activities performed for a finance lease are included as part of the amount recognized as leased assets.

If there is no reasonable certainty that the company will obtain the ownership by the end of the lease term, capitalized leased assets are fully depreciated over the lease term or their useful life, which is shorter.



*M. Anil*

Leases where the lessor retains substantially all the risks and rewards of ownership of the leased assets are classified as operating leases.

Lease payments under operating lease are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

#### 16. Operating cycle for current and non-current classification

Operating cycle for the business activities of the company covers the duration of the specific project /contract /product line /service including the defect liability period, wherever applicable and extends up to the realization of receivables within the agreed credit period normally applicable to the respective lines of business.

#### 17. Segment reporting

##### a. Segment Policies

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as whole.

##### b. Identification of segments

The risks and returns of the company are affected predominantly by differences in products and services it produces / renders and hence the primary format for reporting segment information is its business segment.

##### c. Segment Revenue and Segment Result

Segment revenue includes revenue from operation and other income directly identifiable with/ allocable to the segment. Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Revenue and expenses which relate to the company as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable.

##### d. Segment Assets and Liabilities

Segment assets and liabilities include those directly with respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the company as a whole and not allocable to any segment.

#### 18. Provisions

- a. The company recognizes provision when there is a present obligation of the enterprises arising from past events the settlement of which expected to result in an



*Ahmed Patel*

outflow from the enterprises of resources embodying economic benefits which can be measured only by using a substantial degree of estimation.

- b. Provision for contractual obligation has been provided for in accounts bases on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transaction.
- c. The company makes provision towards warranty obligation arising under the contract, while progressively recognizing the revenue, based on management estimate and past experience of similar contacts. Such provision is maintained until the warranty period is completed.

#### 19. **Contingent liabilities**

The company recognizes contingent liability for disclosure in notes to accounts, if any of the following condition is fulfilled:

- a. possible obligation that arises from past events and 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 enterprises : or
- b. any present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or a reliable estimate of the amount of the obligation cannot be made."

#### 20. **RELATED PARTY DISCLOSURE**

Details of disclosure as required by "Accounting Standard (AS) – 18 on Related Party Disclosures" are as under:

##### a. **Wholly Owned Subsidiary Companies**

M/s. HMA Food Export Pvt. Ltd.

M/s. FNS Agro Foods Ltd.

M/s. Swastik Bone and Gelatins Pvt. Ltd.

M/s. HMA Natural Foods Pvt. Ltd.

M/s. United Farm Products Pvt. Ltd.



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**b. Entities over which key management personnel or their relatives exercise significant influence:**

M/s. HMA Consumer Products Pvt. Ltd.  
M/s. HMA Leather Export Pvt. Ltd.  
M/s. Federal Agro Industries Pvt. Ltd.  
M/s. HMA Cattle Farming Pvt. Ltd.

**c. Entities in Which Company is a Partner**

M/s. Indus Farmers Food Co. LLP  
M/s. International Agro Food Export

**d. Key Management Personnel**

**Designation**

Mr. Gulzar Ahmed	Director
Mr. Zulfiquar Ahmed Qureshi	Director
Mr. Wajid Ahmed	Director
Mohammad Kamil Qureshi	Director
Mr. Gulzeb Ahmed	Director
Mohammad Ashraf Qureshi	Directors' Brother
Mr. Parvez Alam	Directors' Brother
Mohammad Mehmood Qureshi	Directors' Brother

**e. The following transactions were carried out with the related parties in the ordinary course of business:**

S.N.	Name of the related party	Wholly Owned Subsidiary Companies	Entities over which key management personnel or their relatives exercise significant influence:	Key management personnel
1.	Rent Paid			
	HMA Food Export Pvt. Ltd	6,00,00,000/-	NIL	NIL
	FNS Agro Foods Ltd.	72,00,000/-	NIL	NIL
	Federal Agro Industries Pvt. Ltd	NIL	8,40,00,000/-	NIL
	HMA Cattle Farming Pvt. Ltd.	NIL	13,27,500/-	NIL
	Mr. Gulzar Ahmed	NIL	NIL	60,000/-
	Mohammad Ashraf Qureshi	NIL	NIL	60,000/-
	Mr. Zulfiquar Ahmed Qureshi	NIL	NIL	60,000/-



*Handwritten signatures in blue ink.*

	Mr. Wajid Ahmed	NIL	NIL	60,000/-
	Mohammad Kamil Qureshi	NIL	NIL	60,000/-
	Mohammad Mehmood Qureshi	NIL	NIL	60,000/-
	Mr. Parvez Alam	NIL	NIL	60,000/-
5.	Remuneration Paid (including perquisites)			
	Mr. Gulzar Ahmed	NIL	NIL	60,00,000/-
	Mohammad Ashraf Qureshi	NIL	NIL	55,00,000/-
	Mr. Zulfiqar Ahmed Qureshi	NIL	NIL	60,00,000/-
	Mr. Wajid Ahmed	NIL	NIL	60,00,000/-
	Mohammad Kamil Qureshi	NIL	NIL	60,00,000/-
	Mr. Gulzeb Ahmed	NIL	NIL	24,00,000/-
	Mohammad Mehmood Qureshi	NIL	NIL	60,00,000/-
	Parvez Alam	NIL	NIL	60,00,000/-



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S.N.	Name of the related party	Wholly Owned Subsidiary Companies	Entities over which key management personnel or their relatives exercise significant influence:	Key management personnel
1.	<b>Outstanding Balance as at 31.03.2019</b>			
	HMA Leather Export Pvt. Ltd.	NIL	Dr. 1,81,61,751/-	NIL
	Federal Agro Industries Pvt. Ltd.	NIL	Dr. 29,87,73,607/-	NIL
	HMA Cattle Farming Pvt. Ltd.	NIL	Cr. 19,64,862/-	NIL
	HMA Food Export Pvt. Ltd.	Dr. 23,63,73,213/-	NIL	NIL
	FNS Agro Foods Ltd.	Dr. 4,10,78,029/-	NIL	NIL
	Swastik Bone and Gelatins Pvt. Ltd.	Dr. 1,01,60,322/-	NIL	NIL
	HMA Natural Foods Pvt. Ltd.	Dr. 5,05,000/-	NIL	NIL
	Mr. Gulzar Ahmed	NIL	NIL	Cr. 38,57,787/-
	Mohammad Ashraf Qureshi	NIL	NIL	Cr. 2,96,836/-
	Mr. Zulfiqar Ahmed Qureshi	NIL	NIL	Cr. 23,56,461/-
	Mohammad Kamil Qureshi	NIL	NIL	Cr. 38,77,395/-
	Mohammad Mehmood Qureshi	NIL	NIL	Cr. 13,51,215/-
	Mr. Parvez Alam	NIL	NIL	Cr. 1,64,830/-
	Mr. Gulzeb Ahmed	NIL	NIL	Cr. 6,25,290/-
	Mr. Wajid Ahmed	NIL	NIL	Cr. 1,32,697/-

As per our report of even date

For & on Behalf of Board of Directors of

FOR ISRANI ANIL & CO.

HMA AGRO INDUSTRIES LIMITED

Chartered Accountants

  
(Wajid Ahmed)

  
(Gulzar Ahmed)

CA. ANIL KUMAR ISRANI

Director

Director

Proprietor

DIN : 01312261

DIN : 01312305

M.N. 405321

R/o. 18/129-A, Malko

R/o. 18/14-A, Malko

Gali, Tajganj, Agra.

Gali, Tajganj, Agra.

PLACE : AGRA

DATE : 28.09.2019

UDIN : 19405321AAAACP7370