

# ANNUAL REPORT

2023



**HMA AGRO INDUSTRIES LIMITED**

 [www.hmagroup.co](http://www.hmagroup.co)

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## ABOUT THIS REPORT

Presenting the First annual report of HMA Agro, for the financial year 2022-23. This report provides information about the financial and operational performance of our business across each of our business segments and operations including those of our wholly owned subsidiaries in India, as mandated by the authorities under the Companies Act, 2013, viz. Ministry of Corporate Affairs, SEBI, Stock Exchanges and other regulatory bodies. The report provides consolidated and standalone statements of our financial performance for the year under reporting. For any queries or clarifications regarding the information issued in this report, you may write to us at: [cs@hmaagro.com](mailto:cs@hmaagro.com).

Forward-looking statements This Report has been prepared by the Company and the information on which it has been based was derived from sources believed to be reliable. Certain statements in this Report may constitute forward-looking statements within the meaning of applicable securities laws and regulations. The same may be based on the management assessment and expectations with respect to future circumstances, which involve a number of risks and uncertainties, beyond the control of the Company, that could cause actual results to differ materially from those in such forward-looking statements. Forward-looking statements can be identified by words, such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion on future operational or financial performance.

The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, the Company's ability to manage growth, intense competition, including those factors which may affect its cost advantage, wage increases, ability to attract and retain highly skilled professionals, natural calamities, epidemics and pandemics, political instability, regulatory changes, currency risks, legal restrictions on raising capital or acquiring companies outside India, and unauthorised use of its intellectual property and general economic conditions affecting the industry. The Company may, from time to time, make additional written and oral forward looking statements, including reports to its shareholders and does not undertake to update any forward-looking statement that may be made from time to time by or on behalf of the Company.

# FY23 Key Performance Highlights

TOTAL SALES IN QUANTITY

**139928.85**  
Metric ton



Financials – FY 23

**₹3209.2 crore**  
REVENUE FROM OPERATIONS

**₹152.16 crore**  
EBITDA

**₹123.47 crore**  
PROFIT AFTER TAX

**₹318.05 crore**  
CAPEX

**₹466.08 crore**  
NET WORTH as of 31.03.2023

**₹104.07 per share**  
NET ASSET VALUE

Market Share (Overall)

**~10%\***

Credit Rating

Long Term (ICRA)

**A- (reaffirmed)**

# FINANCIAL DASHBOARD

Revenue (₹ Crores)

**3,256.09**

+4.0% y-o-y

EBITDA (₹ Crores)

**202.36**

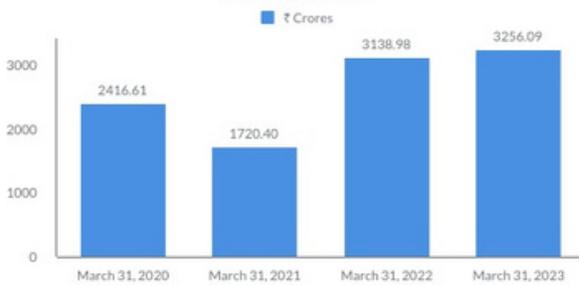
+15.0% y-o-y

Cash & Cash equivalents (₹ Crores)

**738.72**

+68% y-o-y

Total Revenue



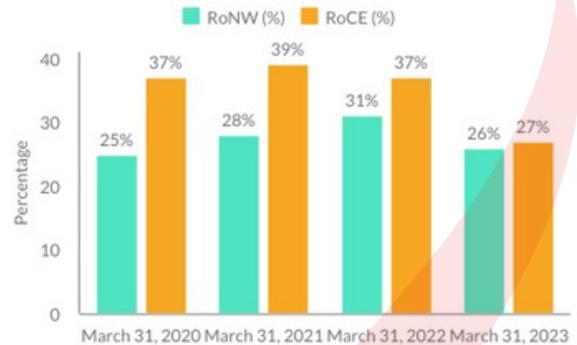
EBITDA



Profitability



Return

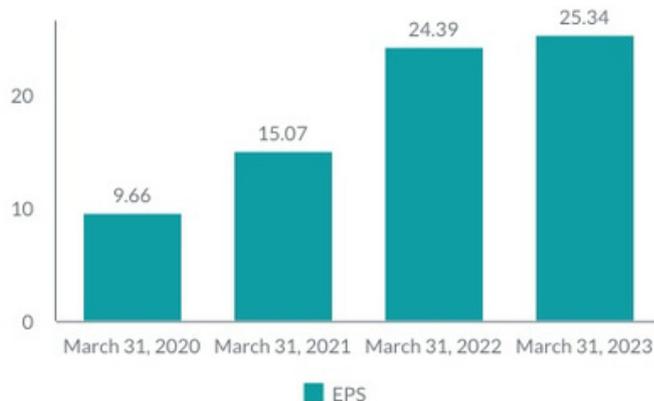


YOUR HAPPINESS & SATISFACTION IS OUR PRIORITY JUST LIKE OUR MEAT

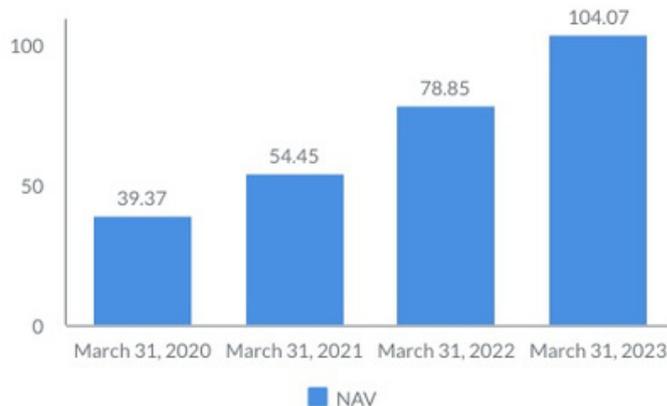


# Net Profit INR 123.46 million

Earning Per Share



NAV Per Share



**Profitability**

Gross Margin	21.37%
EBITDA Margin (1)(2)	6.97%
Net Profit Ratio	4.67%
Return on Average Equity (3)	24.97%
Return on Capital Employed (4)	26.94%

**Capitalisation**

Total Debt to Total Equity	0.78
Total Debt to Total Assets	29.48
Net Capital Turnover Ratio	22.95
Debt Service Coverage Ratio	11.78



# WORDS FROM CHAIRMAN

“Guided by our commitment to quality and product, we continue to shape a flavourful world of culinary delight for all”



**Gulzar Ahmad**  
Chairman & Whole Time Director

## *Dear Shareholders and Stakeholders,*

It is with great pleasure and pride that I address you in this year's annual report. The past year has been a testament to our company's resilience, adaptability, and unwavering commitment to excellence. Despite the challenges that came our way, we have continued to steer our course towards progress, innovation, and sustainable growth.

Our company's journey has always been driven by a shared vision - a vision that embraces innovation, values integrity, and focuses on creating value for all our stakeholders. As we reflect on the accomplishments of the past year, we are reminded of the collective efforts and dedication of our talented team, whose unwavering commitment has been the cornerstone of our success.

In the face of global uncertainties, we remained steadfast in our pursuit of operational excellence. Our ability to navigate through turbulent times and emerge stronger is a testament to our prudent financial management and strategic decision-making. We have continued to invest in cutting-edge technologies, empowering our workforce, and fostering a culture of collaboration and creativity.

As a responsible corporate citizen, we recognize the importance of sustainability in

all our endeavours. We have made significant strides in reducing our environmental footprint, enhancing the well-being of our communities, and upholding the highest ethical standards. Our commitment to corporate social responsibility is not just a duty, but a core belief that guides our actions and contributes to a brighter, more sustainable future.

Looking ahead, we are excited about the opportunities that lie before us. The evolving business landscape presents new avenues for growth, and we are well-positioned to capitalize on them. Our focus on innovation will continue to drive our product development, customer engagement, and market expansion strategies.

I extend my heartfelt gratitude to our shareholders, whose unwavering support and trust have been pivotal in our company. I also express my appreciation to our dedicated employees, whose passion and hard work have been instrumental in achieving our milestones.

In closing, I am confident that our company's unwavering spirit, combined with the dedication of our team, will continue to propel us forward. Together, we shall overcome challenges, seize opportunities, and create enduring value for all our stakeholders.

**Thank you for being part of our journey.  
Sincerely,  
Gulzar Ahmad  
Chairman of the Board**

# WORDS FROM MANAGING DIRECTOR

“

We, at HMA AGRO INDUSTRIES LTD., we're not just shaping products; we're "BELIVEING IN QUALITY ONLY" that redefined industries and elevate lives." Embracing the future with unwavering determination, HMA AGRO INDUSTRIES LTD. dedicated to delivering unparalleled quality and pushing the boundaries of what's possible. Now we have exports more the 40 countries in the world and stand a position in 3rd largest exporter in India of our Industry. Together, let's embark on quest to reshape industries.

”



**Wajid Ahmed**  
Managing Director

## *Dear Shareholders and Stakeholders,*

I stand before you today with a profound sense of gratitude and pride as we gather to reflect upon the journey we've undertaken over the past year. Our annual general meeting is not just a formality; it's a platform where we come together to celebrate our achievements, acknowledge our challenges, and chart the course for the future.

The year gone by has been a testament to our resilience, determination, and collective efforts. Despite the uncertainties that prevailed, we navigated through with unwavering focus and commitment to our goals. Our success is a tribute to the relentless dedication of our exceptional team, whose hard work and passion drive us forward.

In the face of evolving market dynamics, we embraced change and innovation. Our strategic decisions, fuelled by insights and foresight, have positioned us ahead of the curve. We diversified our offerings, expanded our reach, and deepened our customer relationships, all while upholding the core values that define us.

As we move forward, we recognize that our responsibility extends beyond financial performance. Let me share with all of you, highlights of our Company's performance during FY 2022-23.

Over the years, we have been investing in modern plants & machinery and have built a large equipment bank of our own. This augments our execution capabilities progressively. Our present Gross Block of over ₹ 500 Millions.

The Company has a strong support team with proven expertise. Over the past fourteen years, we have doubled our employee strength to more than 900 employees as on March 31, 2023.

Coming to the key financials of FY 2022-23, on standalone basis, our Company's revenue leaped by 6.97% to ₹ 31,255 Million compared to ₹ 29,219 Million in FY 2021-22. Our EBITDA in FY 2022-23, stood at ₹ 1982 Million, higher by 23.68% as compared to ₹ 1602 Million in FY 2022-23 and PAT stood at ₹ 1373 Million as compared to ₹ 1104 Million in FY 2021-22 with a growth of 24.38% on y-o-y basis.

On consolidated basis, revenue grew by 4% y-o-y basis as in FY 2022-23 it is ₹ 32,560 Million as compared to ₹ 31,389 in FY 2021-22. Consolidated EBITDA in FY 2022-23 was ₹ 2,023 Million which was higher by 6.21% as compared to ₹ 1,758 Million in FY 2021-22 and consolidated PAT for FY 2022-23 stood at ₹ 1,234 Million as compared to ₹ 1,176 Million in FY 2021-22, with a growth of 4.7% on y-o-y basis.

We are proud to be one of the key players in food sectors, which is a major driver for its socio-economic growth. I am sure our Company has a promising future and will continue to scale new heights with consistent performance and sustainable growth, going forward.

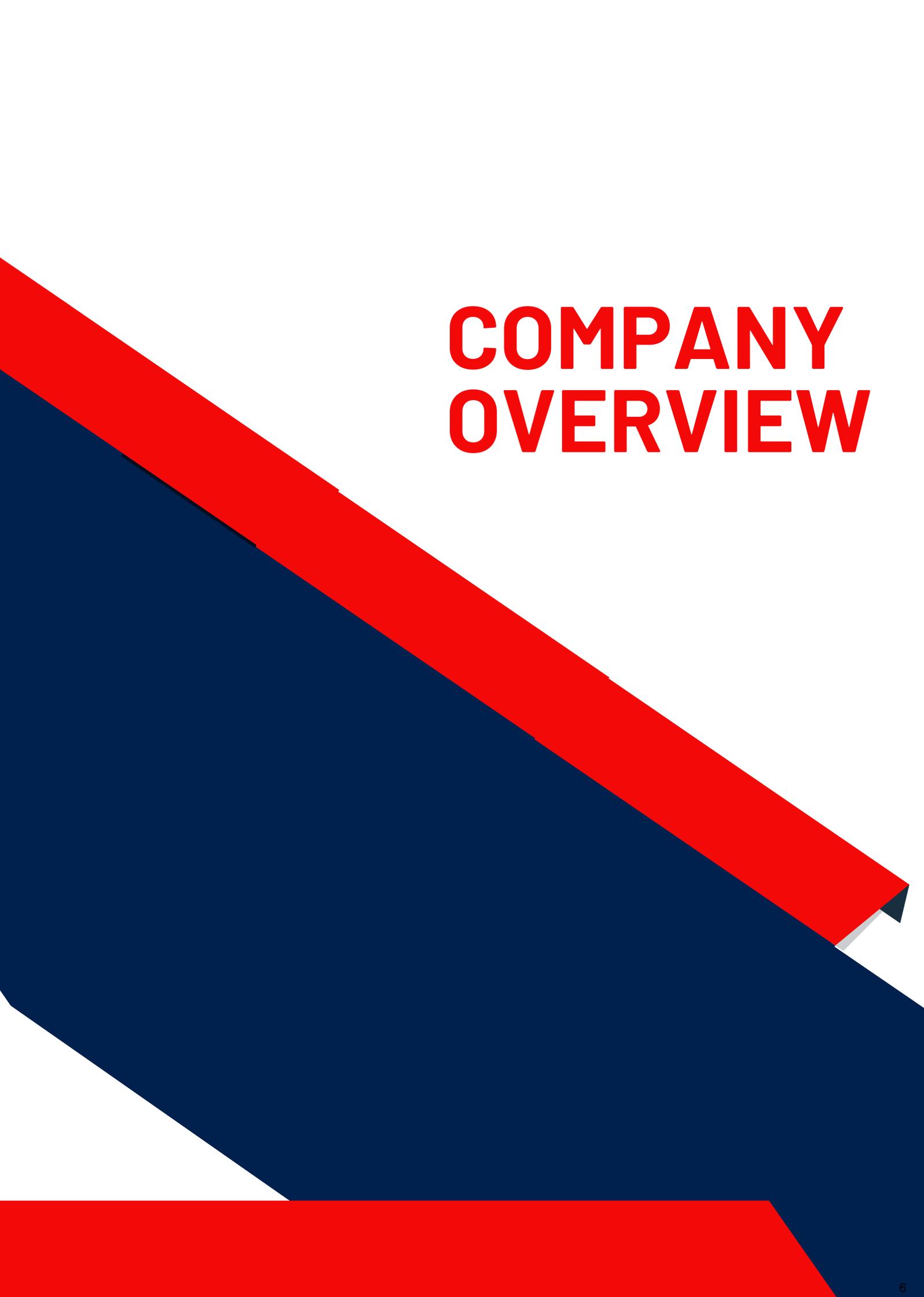
We are committed to being responsible corporate citizens, contributing positively to the communities we serve and minimizing our ecological footprint. Sustainability is not just a buzzword for us; it's a guiding principle that shapes our actions and decisions.

Our journey ahead is paved with opportunities waiting to be seized. We are poised to leverage emerging trends, embrace technological advancements, and capitalize on market gaps. Our customer-centric approach will continue to be our compass, ensuring that we deliver products and services that add tangible value to their lives.

I extend my heartfelt gratitude to our shareholders, whose trust and support have been the bedrock of our success. I am immensely proud of our employees, whose dedication, skills, and passion are the driving force behind our achievements. Together, we have built a culture that fosters excellence, collaboration, and innovation.

In conclusion, I am confident that the path ahead is bright and promising. The challenges we encounter will only fortify our resolve, and the successes we achieve will be a testament to our collective capabilities. As we continue this journey of growth and transformation, I assure you that we remain committed to achieving new milestones and creating lasting value.

**Thank you for being part of our journey.**  
**Sincerely,**  
**Wajid Ahmed**  
**Managing Director**

The background features a large, abstract geometric design. A prominent diagonal line runs from the top-left towards the bottom-right. This line is divided into three distinct color sections: a red section at the top, a dark blue section in the middle, and another red section at the bottom. The dark blue section is the largest and occupies the lower-left and central portions of the page. The red sections are located in the top-left, bottom-right, and bottom-left corners. The overall composition is clean and modern, with a strong sense of direction and movement.

# COMPANY OVERVIEW

# COMPANY INFORMATION

HMA GROUP is one of the biggest food trade organisation for handled food and agro products including frozen fresh deglanded buffalo meat, prepared/frozen natural products, vegetables and cereals in India and has an experience of 63 years altogether.

Today HMA can be found in various nations and we have our sights on expanding substantially more, we are serving in around 60 nations worldwide and has transformed into the world's driving food chain organisation.

HMA GROUP has a total strength of around 25000 employees and works in excess of 10 workplaces and 5 working environments in India.

Company Name:

**HMA Agro Industries Ltd.**

Business:

**HMA Agro Industries Limited operates as a food trade organization. The Company offers handled food and agro products including frozen fresh buffalo meat, prepared and frozen natural products, fruits, vegetables, and cereals. HMA Agro Industries serves customers worldwide.**

Date of Incorporation:

**09-04-2008. It is classified as a Non-govt company and is registered at RoC-Kanpur. Their state of registration is Uttar Pradesh.**

Share Listing:

**Tuesday, July 4, opening at ₹615 apiece on BSE — a premium of more than five per cent over the upper end of the IPO price band**

Paid-Up Capital:

**₹475.13 million**

Authorized Capital:

**₹700 million**

Statutory Auditors

**M/s MAPSS And Company, Ghaziabad Chartered Accountants**



**Proteins**  
for your meal



**Basmati Rice**



**Frozen Fish**



**Rendered & Pet  
Foods**



**Fruits & Vegetables**

# VISION MISSION VALUES

## What Defines Us



### VISION

To be a largest exporter of frozen meat products and become a globally recognized Indian brand



### MISSION

We are on the path to be one of the top organisations that food market has not experienced yet by providing with advancement, imagination and inventiveness to have a ceaseless impact on our customers



### VALUES

#### Quality

Products that live up to our customers' desires created with model food handling norms

#### Non Stop Improvement

Consistently

#### Safety

Products that live up to our customers' desires created with model food handling norms

#### Moral Bussiness Practices

Products that live up to our customers' desires created with model food handling norms

#### Innovation

Going the extra mile

#### Sustainable Growth

Products that live up to our customers' desires created with model food handling norms



We are on our path to become Indian largest exporter of buffalo meat and the recent listing would provide us with necessary capital to work towards that direction

# BOARD OF DIRECTORS



## BOARD OF DIRECTORS



### **GULZAR AHMAD**

#### CHAIRMAN AND WHOLE TIME DIRECTOR

Gulzar Ahmad, aged 55 years is one of the founding Promoter and is designated as Chairman and Whole Time Director on the Board of our Company. He was appointed on the Board of our Company upon incorporation i.e. w.e.f April 09, 2008. He is undergraduate. He has vast and diversified experience in field of trading of livestock. Before incorporation of the Company, he setup the meat processing house and started job work. Under his stewardship, the production capacity of the company has increase, resulted in increase in sale and export and added a large number of new clients. He is currently responsible for overall management and affairs of the Company including setup new plant and machinery, developing industry networks for further business development and overall development of the business of the Company.



### **WAJID AHMED**

#### MANAGING DIRECTOR

He was appointed on the Board of our Company w.e.f April 01, 2013. He has completed his Bachelor of Commerce from Dr. Bhim Rao Ambedkar University, Agra in the year 2004. He has more than ten years of experience in purchasing department. Because of his proficiency, the company has setup automated machinery factory in various locations in India. He is currently responsible for overall purchase other than raw material such as machinery, other machinery part, packing etc resulting in smooth functioning of the factory. He is spearheading the setting up of Asia's largest slaughtering plant in Haryana.

## BOARD OF DIRECTORS



### **GULZEB AHMED**

CHIEF FINANCIAL OFFICER & WHOLE TIME DIRECTOR

He was appointed on the Board of our Company w.e.f June 03, 2021. He is associated with our company since 2014 and subsequently became the Director of our Company. Further, he was given an additional position of CFO in our Company w.e.f. July 07, 2021. He has completed his Certificate in Planning and Entrepreneurship Course in Personnel Management and Marketing Management from The Indian Institute of Planning and Management and Bachelor of Business Administration from Dr. Bhim Rao Ambedkar University, Agra. He is currently responsible for overseeing deployment of strategic business plans and handles Finance and accounts department of the company.



### **AMIT GOYAL**

INDEPENDENT DIRECTOR

He was appointed on the Board of our Company w.e.f. June 03, 2021. He has completed his Bachelor of Legislative Law from Dr. Bhim Rao Ambedkar University, Agra in the year 2002. He is a practicing advocate by profession and is registered with the Bar Council of Uttar Pradesh since 2003. He has over 18 years of experience in handling Tax Litigations, civil litigations, arbitrations, appearances at tribunals, courts, commissions etc.



### **GAURAV R. LUTHRA**

INDEPENDENT DIRECTOR

He was appointed on the Board of our Company w.e.f. June 03, 2021. He is a Qualified Chartered Accountants and is also He is a member of the Institute of Chartered Accountants of India. He has more than a decade of experience in the field of Internal Auditing, Internal Financial Controls, Taxation, Finance & Accounting, Tax Audit and Statutory Auditing. At present working as Independent Practicing Chartered Accountants.



### **BHUMIKA PARWANI**

INDEPENDENT DIRECTOR

She was appointed on the Board of our Company w.e.f. September 26, 2022. She has completed her bachelor's in Commerce degree from Dr. Bhimrao Ambedkar University, Agra in the year 2013 and is also a member of the Institute of Chartered Accountants of India. She was previously associated with PSA & Company, Anurag Sinha & Associates and V Thukral & Associates and is currently associated with TCI Foundation. She has an experience of around three years in the field of Financial Reporting and Accounting, Risk Advisory, Statutory Audits and Taxation.

# COMMITTEE

Managing Director



**Gulzar Ahmad**  
Chairman and Whole Time Director

C C M



**Wajid Ahmed**  
Managing Director

M M M



**Gulzeb Ahmed**  
Chief Financial Officer & Whole Time Director



**Amit Goyal**  
Independent Director

C M



**Bhumika Parwani**  
Independent Director

C M M  
M M



**Gaurav R. Luthra**  
Independent Director

C M



AUDIT COMMITTEE



NOMINATION AND REMUNERATION COMMITTEE



STAKEHOLDERS' RELATIONSHIP COMMITTEE



RISK MANAGEMENT COMMITTEE

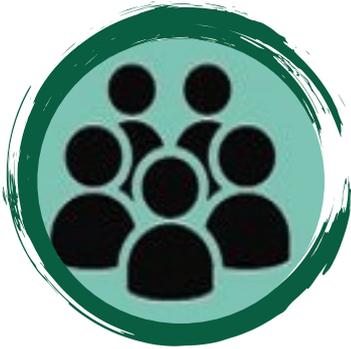


CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

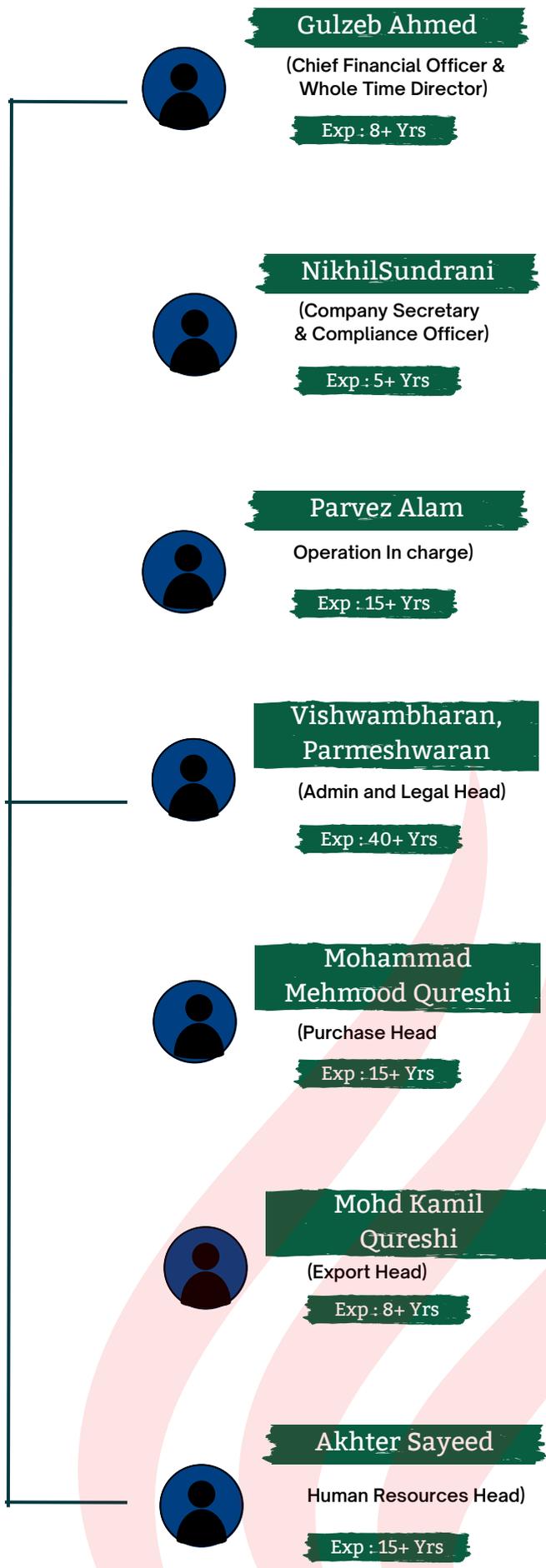
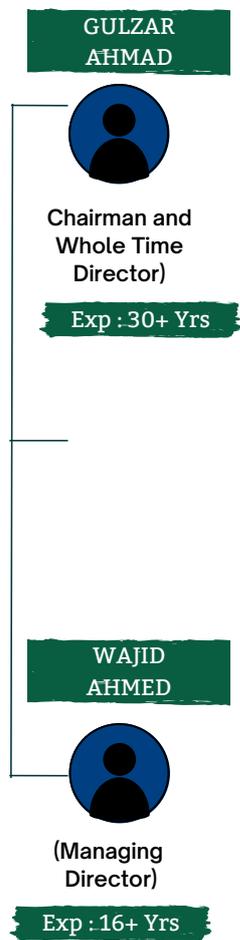
M: MEMBER

C: CHAIRMAN

# ORGANIZATION CHART



## BOARD OF DIRECTORS



# PROMOTERS

- The promoters have a strong background & diversified experience in cattle trade for over four decades and sourcing of livestock is their core strength
- Company is an 100% Promoter Owned



**Gulzar Ahmad**



**Wajid Ahmed**



**Mohammad Ashraf Qureshi**

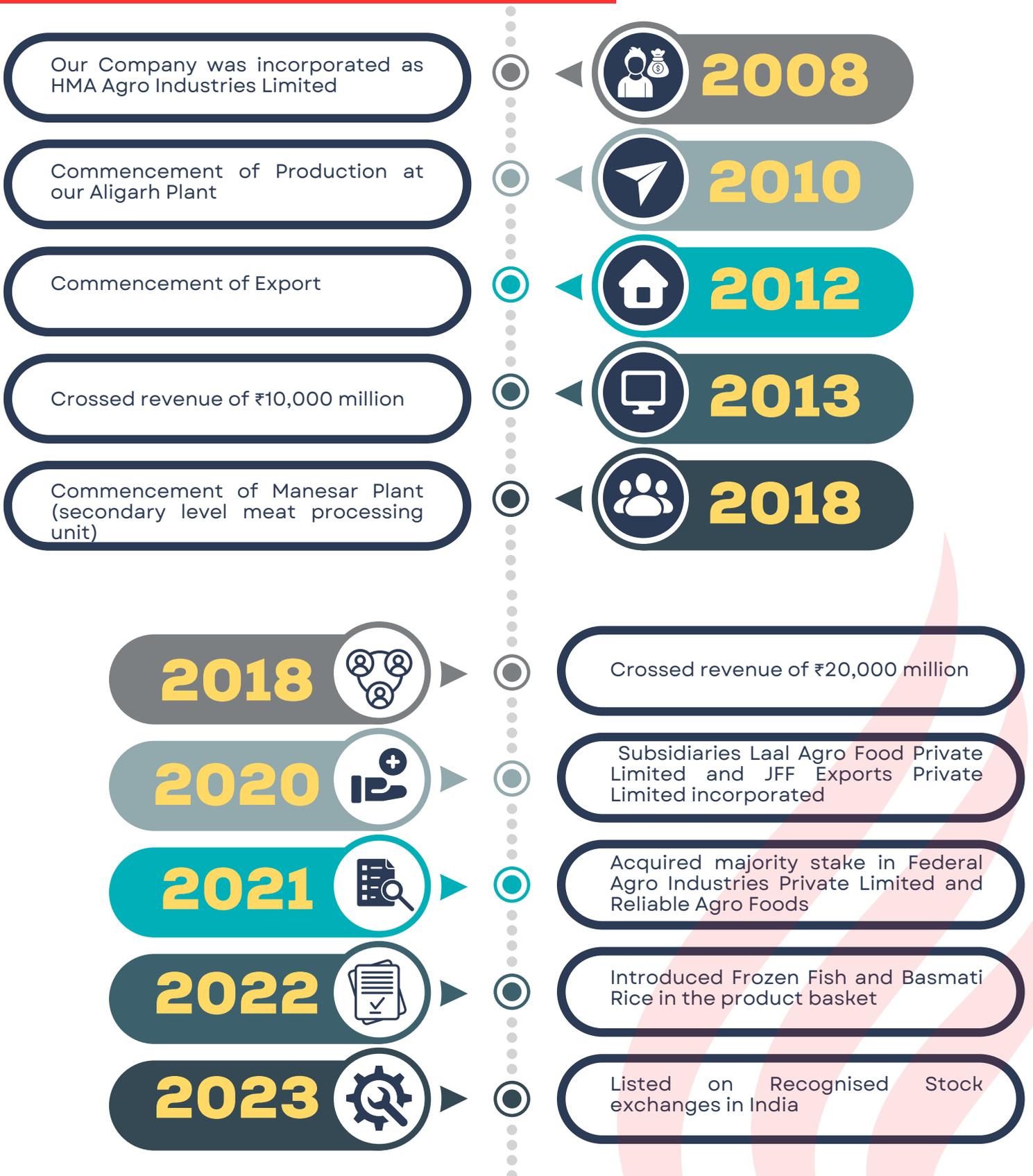


**Mohammad Mehmood Qureshi**



**Zulfiqar Ahmad Qurashi**

# SIGNIFICANT MILESTONES



# OUR CAPACITIES



## QUALITY CERTIFICATES

Facilities are certified for quality and product safety systems



HMA is proudly upholding its position in the market by having zero customer complaints despite facing numerous challenges in times of pandemic

**ANNUAL PRODUCTION CAPACITY:**  
1472.50 MT/Day

# BRANDS UNDER HMA



## BUFFALLO MEAT



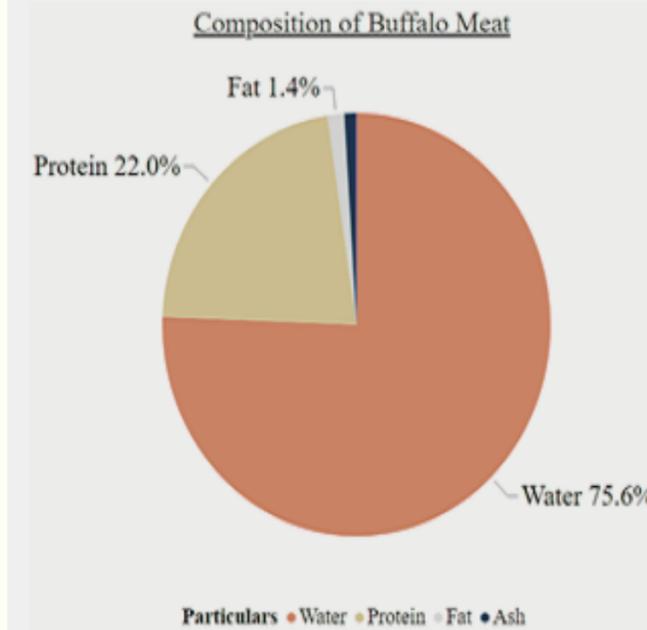
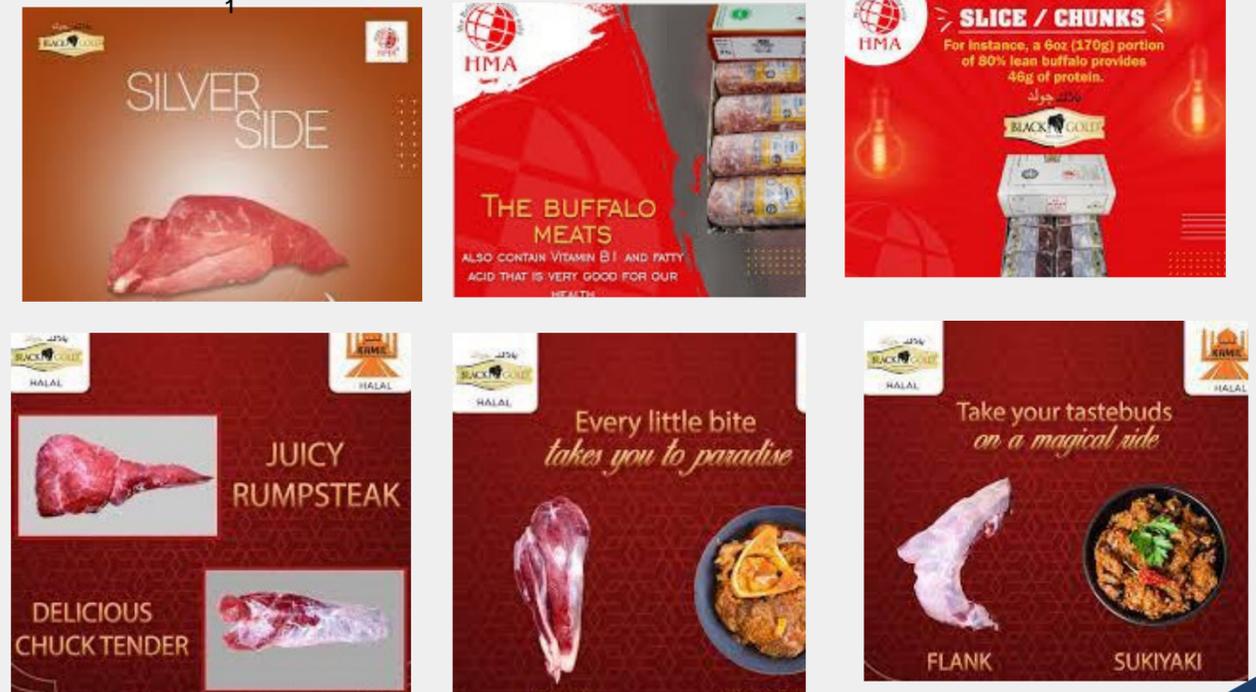
## FROZEN FISH



## BASMATI RICE



## PRODUCTS RANGE



Packaged Frozen Meat is available in following steak forms:

- Knuckle
- Tenderloin
- Silverside
- Striploin
- Eye round
- Shinshank
- Rumpsteak
- Flank
- Topside
- Trimming
- Slices
- Quarter
- Neck
- Cuberoll
- Chucktender
- Brisket
- Blade
- Omasum
- Frozentripe
- Boiled Ear
- Front Tendon
- Brisket PE

**GROWING PRESENCE IN INDIA**



**Mohali Plant Capacity : 380 MT/ Day**



**Agra Plant Capacity : 95 MT/ Day**



**Haryana Plant Capacity : 570 MT/ Day**



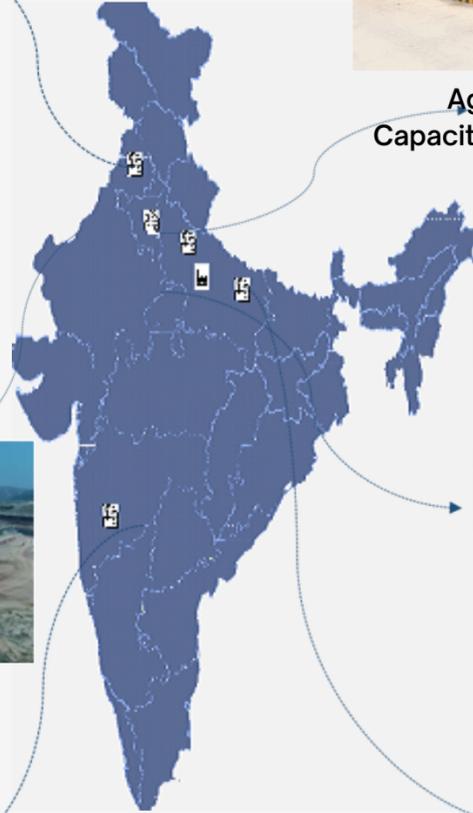
**Aligarh Plant Capacity : 95 MT/ Day**



**Parbhani Plant Capacity : 190 MT/ Day**



**Unnao Plant (Being acquired) Capacity : 142.50 MT/ Day**



**Location:** Village Behra, Hadbast No. 198, Tehsil Dera Bassi, District Ajitgarh, Punjab - 140507, India  
**Owned By:** Federal Agro Industries Private Limited (subsidiary - 60% ownership w.e.f April 2021).  
**Current Status:** Active and Operational since FY 2014-15

**Location:** Plot No. 129,23,24, 379, 125, 378, 17, 18, 19,21, 22, 123, 124, 126, 127, 25 at village at GhattaShamshabad, Teh Firozpur Jhirka, District Nuh, Haryana - 122104  
**Owned By:** United Farm Products Pvt. Ltd. (wholly owned subsidiary of HMA Agro Industries Ltd.)  
**Current Status:** Company has received Consent To Operate (CTO) and the Company has began its commercial production from January, 2023.  
 Note: The Company has applied for the factory license, the grant is awaited.

**Location:** Gunt No 160-161, Purna, Parbhani, Maharashtra - 431511, India  
**Owned By:** M/s. Reliable Agro Foods (partnership firm in which HMA Agro Industries Ltd. is 95% partner (w.e.f November 2021).  
**Current Status:** Active and Operational since FY 2016-17.



**Location:** Plot No. 293,295 & 297 Village Kuberpur, Tehsil - Etmadpur, Agra- 282006, Uttar Pradesh, India  
**Owned By:** M/s. HMA Food Export Private Limited (wholly owned subsidiary of HMA Agro Industries Ltd).  
**Current Status:** Active and Operational since FY 2014-15.

**Location:** 6/1, 15-16, Talaspur Khurd, Tehsil Koil, Mathura Bye Pass Road, Aligarh - 202001, Uttar Pradesh, India  
**Owned By:** HMA Agro Industries Limited  
**Current Status:** The Company has received the permission from High Court, Allahabad, and the authority has granted the permission to run the plant for eight weeks, in the ninth week the inspection shall be conducted by U.P Pollution Control Board..

**Location:** D-1 & D-2, Site-1, UPSIDC Industrial Area, Unnao- 209801, Uttar Pradesh, India  
**Owned By:** AOV Exports Pvt. Ltd.\* (which currently conducts processing on a contractual basis exclusively for HMA Agro Industries Ltd.)  
**Current Status:** The plant is active and operational since FY 2011-12. Our wholly owned subsidiary JFF Exports Pvt. Ltd. has recently entered into an agreement to acquire said plant from its current owner AOV Exports with all relevant assets. The government related approved transfer of plant assets is on going.

# GROWING PRESENCE ACROSS THE WORLD

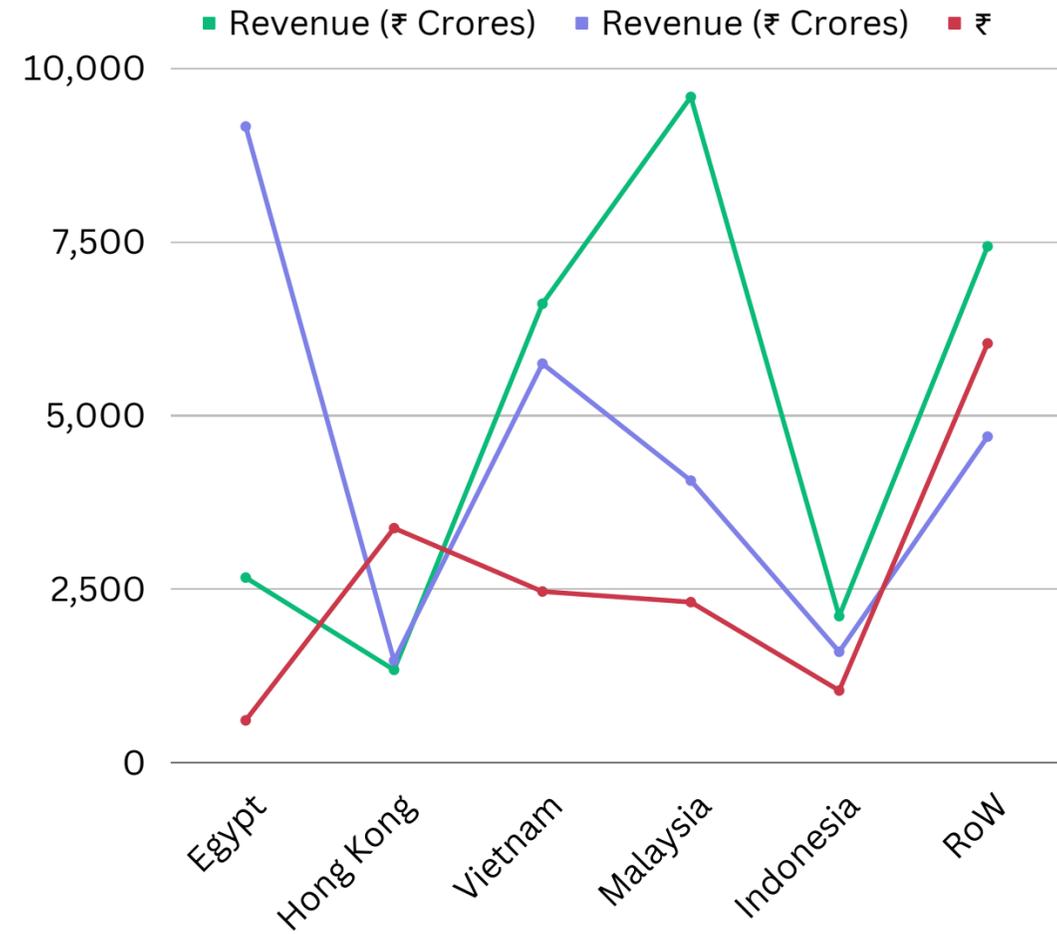
## TOP 5 EXPORT MARKETS

-  **EGYPT**
-  **HONG KONG**
-  **VIETNAM**
-  **MALAYSIA**
-  **INDONESIA**



## INTERNATIONAL BUSSINESS

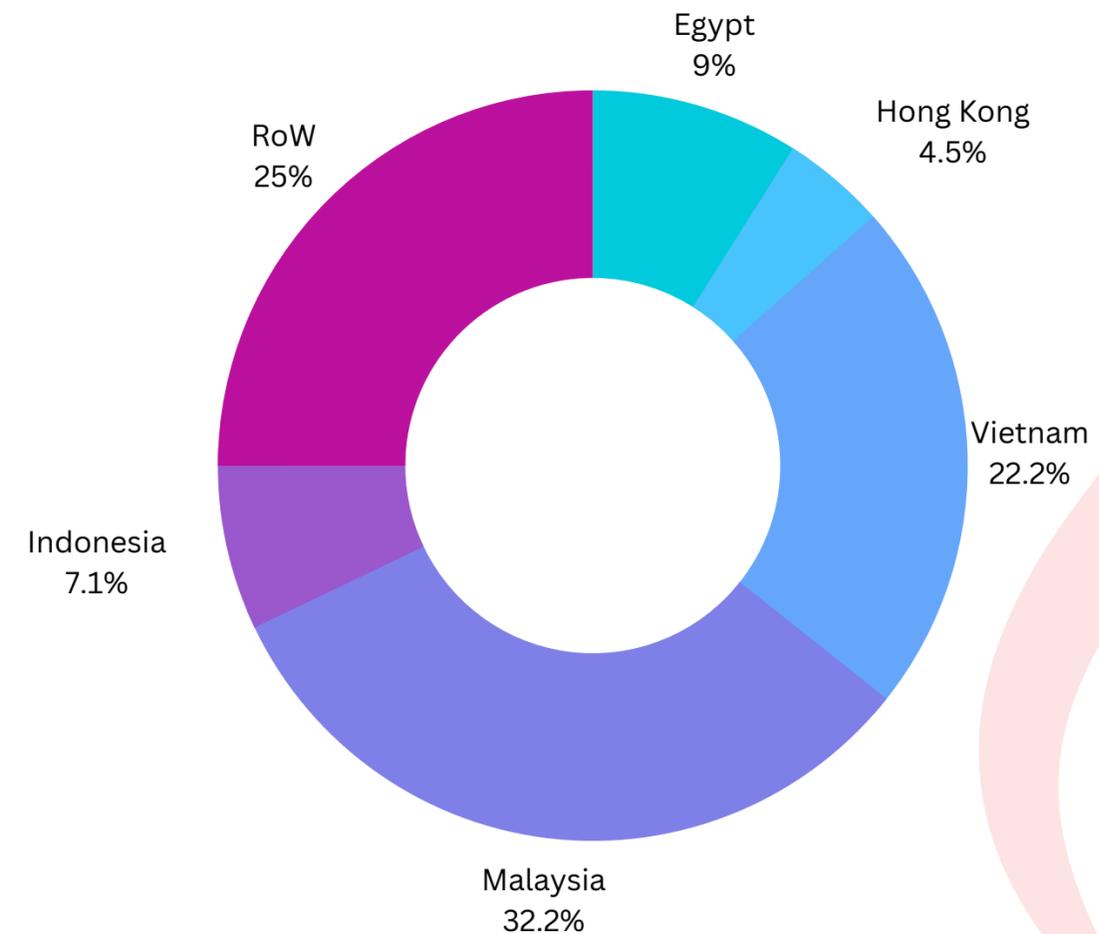
- Angola
- BAHRAIN
- BANGLADESH
- CAMBODIA
- CAMEROON
- CHINA
- CONGO
- EGYPT
- GABON
- GABON
- GHANA
- HONG KONG
- INDONESIA
- IRAQ
- IVORY COAST
- JORDAN
- KUWAIT
- LEBANON
- LIBERIA
- LIBYA
- MALAYSIA
- MAURITIUS
- OMAN
- PAKISTAN
- QATAR
- SAUDI ARABIA
- SENEGAL
- SIERRA LEONE
- SINGAPORE
- THAILAND
- U.S.A.
- UAE
- UZBEKISTAN
- VIETNAM
- YEMEN
- NEPAL



Strategically reducing sales to low margin countries and gradually shifting towards higher margin markets

Reducing sales from low margin markets to higher margin markets like Egypt, Hong Kong and Malaysia

<b>EGYPT</b>	<b>20.60%</b>	<b>3.57%</b>	<b>29.73%</b>
<b>HONG KONG</b>	<b>1.34%</b>	<b>19.80%</b>	<b>4.77%</b>
<b>MALAYSIA</b>	<b>6.36%</b>	<b>13.55%</b>	<b>13.18%</b>



# OUR STAKEHOLDERS

01



**Shareholders, Investors**

Constant endeavour to display sustained growth and profitability to ensure long-term wealth creation for our Investors

04



**Customers**

Delivering high-quality products with focus to increase customer satisfaction and building brand image

03



**Government and Regulators**

Abiding with applicable Government policies and ensuring we fairly contribute to the exchequer

05



**Employees**

Giving inclusive and diverse work environment with opportunities to learn and grow with responsibilities

05



**Society at large**

Working towards engagement of local communities/ societies to ensure inclusive development

06



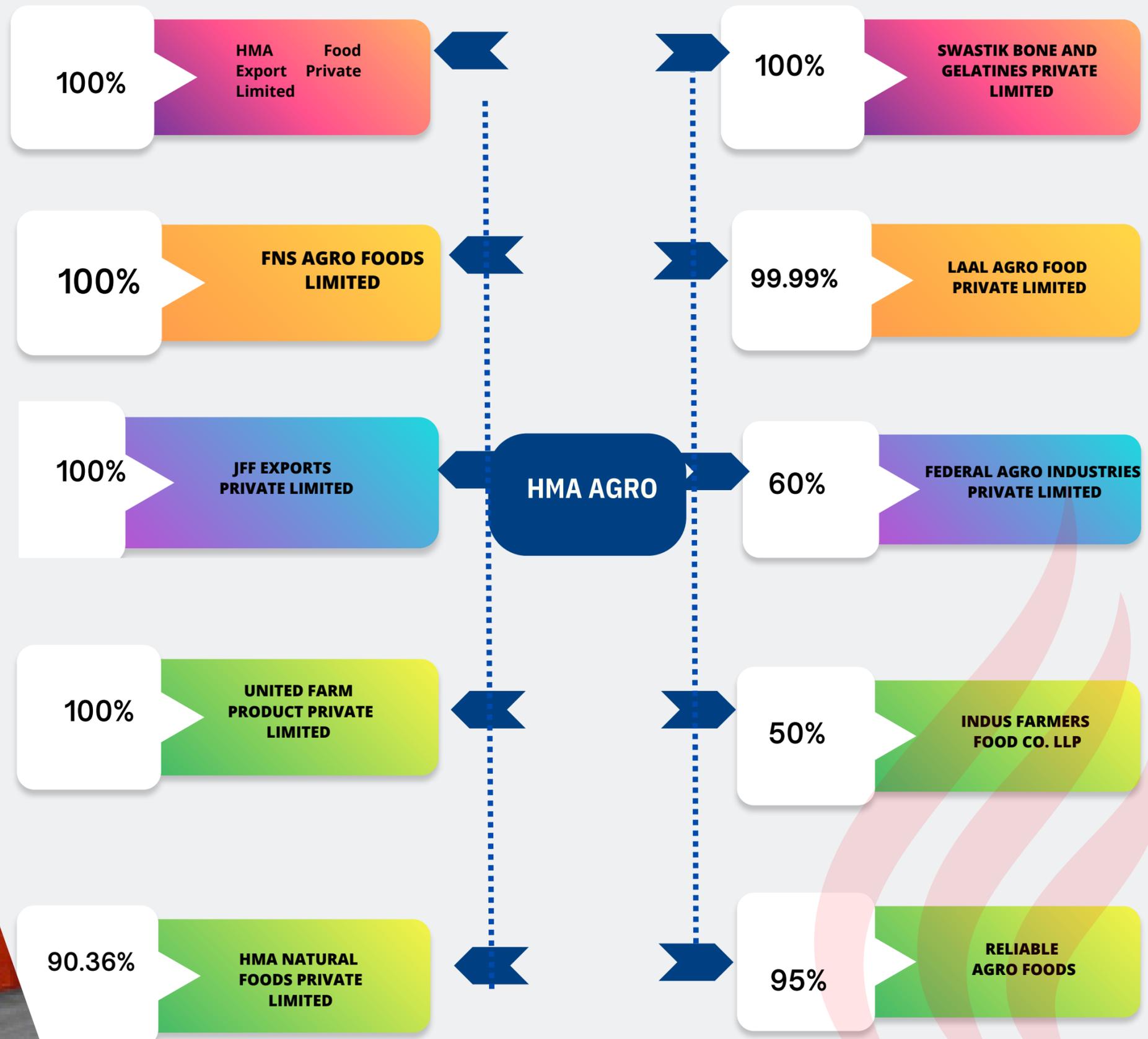
**Value Chain Partners**

Constant engagement with our suppliers and other partners with a view to help them grow with the organisation.

STAKEHOLDERS' GROUP	MEANS OF COMMUNICATION	FREQUENCY OF INTERACTION	LEVEL OF ENGAGEMENT
 Shareholders/Investors	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Investors' summit</li> <li>Financial Statements and Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>Annual or Quarterly/ on need basis</li> </ul>	<ul style="list-style-type: none"> <li>Discussion on financial performance of the Company and future outlook</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Training and development programmes</li> <li>Feedback mechanism</li> <li>Employee engagement sessions</li> </ul>	<ul style="list-style-type: none"> <li>Continuous basis throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Monthly engagement sessions</li> <li>Monthly and quarterly training sessions</li> <li>Annual feedback sessions</li> </ul>
 customers	<ul style="list-style-type: none"> <li>Customer outreach programs</li> <li>Company website</li> <li>Satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Continuous basis throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Feedback surveys and addressing them with product enhancements</li> </ul>
 Distributors	<ul style="list-style-type: none"> <li>Dealer surveys</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Continuous basis throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Continuous feedback sessions to address challenges</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Dealer surveys</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Continuous basis throughout the year</li> </ul>	<ul style="list-style-type: none"> <li>Working towards sustainable supply chain management solutions</li> </ul>

# OUR SUBSIDIARIES

Except Federal Agro Industries Private Limited, none of our subsidiaries are considered "Material Subsidiaries" as per the definition of SEBI (ICDR) Regulations, 2018 and SEBI (LODR) Regulations, 2015. However, our subsidiaries own the processing facilities which process our products for export markets on a contractual basis and hence they are important for us strategically



# ACCELERATING GROWTH

As a leading exporter of animal based food products, our company is committed to delivering shareholder wealth by achieving exponential growth. With a clear vision and an impactful growth strategy, we are determined to make a sustainable business over medium and long-term.

For us, growth does not only mean delivering financial numbers, rather it inculcates working towards larger shareholder and stakeholder betterment.

The company, irrespective of several headwinds, has delivered year-on-year revenue growth of ~4%, clocking ₹3,210 crores in revenue for FY23.

This commendable achievement adds to our confidence that we are on the right trajectory to achieve robust growth in coming years.

We are focusing on exponential growth in coming fiscals to reach higher revenue growth. In our endeavor to achieve this, our core strategy is working on 3 'Bs', being 'Better quality Products, 'Brand Recognition' amongst customers, 'Bringing Operational Efficiencies'. It will be our utmost endeavor to maintain highest standards of quality across production and every touch point of customer service.

In addition, we also are constantly working towards bringing operational efficiencies with a view to achieve better margins in all our product range. This includes investments in newer technologies, optimum utilization of existing infrastructure, providing training and development programs to existing workforce, and continuous product innovation.

By leveraging our existing Distributors network, we would continue to explore newer markets for our products and pivot our business towards geographies with better margins and higher potential for growth. Through these measures we are looking to build a strong and sustainable business with clear vision to achieve stakeholder wealth creation.

We have been and continue to be strongly committed to our investors, customers and community at large.



CONTINUE EXPANDING REACH IN NEWER GEOGRAPHIES



MAINTAIN HEALTHY REVENUE GROWTH RATE FOR NEXT FEW YEARS



ESTABLISHING BRAND



BUILDING SUSTAINABLE BUSINESS



EXPANDING PORTFOLIO OF PRODUCTS



# COMMITMENT TO ESG



Sustainability and US - Our Approach towards building a equitable society

pledges from core of is bussiness that sustainability is not only a word for us but an ethical and moral duty

## भूमि की उर्वरा शक्ति को कम कर रही प्लास्टिक



विश्व पर्यावरण दिवस पर 'मानसरोवर' कालोनी से जनजागरूकता रैली निकालते प्रदूषण नियंत्रण बोर्ड के आरओ डा. जेपी सिंह, उपेंद्र प्रसाद, जितेंद्र कुमार व अन्य।

अलीगढ़, कार्यालय संवाददाता। विश्व पर्यावरण दिवस पर उप्र प्रदूषण नियंत्रण बोर्ड की ओर से वेस्ट प्लास्टिक से होने वाले प्रदूषण की रोकथाम को जनजागरूकता रैली निकाली गई। कविता व प्रतियोगिता के माध्यम से प्रतिभागियों ने पर्यावरण संरक्षण का संदेश दिया। प्रदूषण नियंत्रण बोर्ड के क्षेत्रीय अधिकारी डा. जेपी सिंह ने स्ट्रीट वेंडरों को कपड़े के थैले वितरित किए।

प्रदूषण नियंत्रण बोर्ड की ओर से वेस्ट प्लास्टिक से होने वाले प्रदूषण को लेकर मानसरोवर कालोनी से किशनपुर तिराहा, रामघाट रोड, कैला नगर, मैरिस रोड, सेंटर प्वाइंट, गांधी आई अस्पताल, रामघाट रोड जनजागरूकता रैली निकाली। रैली के दौरान स्ट्रीट वेंडरों की दुकानों पर खोले प्लास्टिक के थैले को वापस लिया और उनको कपड़े के थैले बांटे। मानसरोवर कार्यालय पर रैली समाप्त हुई। वहां पर गोष्ठी का आयोजन किया गया। अवर अभियंता उपेंद्र

प्रसाद ने कहा कि पर्यावरण के संरक्षण को लेकर प्लास्टिक का उपयोग बंद करना होगा। इसकी शुरुआत स्वयं से लोगों को करनी होगी। क्षेत्रीय अधिकारी डा. जेपी सिंह ने कहा कि प्लास्टिक के प्रयोग से भूमि की उर्वरा शक्ति घट रही है। पौधे रोपण के दौरान पौधे सूख जाते हैं।

प्रतिभागियों ने कहा कि कूड़े में प्लास्टिक को कभी नहीं जलाएँ। इससे वायु प्रदूषण बढ़ता है जिससे आसपास के लोगों को बीमार बनाता है। इस मीके पर आरओ डा. जेपी सिंह, सहायक पर्यावरण अभियंता अजय कुमार, अवर अभियंता उपेंद्र प्रसाद, शशिकांत, धर्मेन्द्र, जितेंद्र शर्मा, अख्तर सईद, प्रदीप शर्मा, तबरेज खान मौजूद रहे। रैली में एचएमए एग्री, अलडुआ फ्रोजन फूड्स, फ्रिगारियो कन्जर्वा अलाना, फेयर एक्सपोर्ट प्राइवेट लिमिटेड, अल्ट्राटेक सीमेंट, ग्रेव डिस्टलरी समेत अन्य इकाईयों ने रैली में प्रतिभाग किया।

# AWARDS AND ACCOLADES

HMA Group's efforts have been recognised in an event organised by Ministry of Environment Government of Maharashtra



Recognition by BHAMLA Foundation

The background features a large, abstract geometric design. A prominent diagonal line runs from the top-left towards the bottom-right. This line is composed of a dark blue section on the left and a red section on the right. The top-left corner is white, and the bottom-right corner is also white, creating a sense of depth and movement. The text 'NOTICE OF AGM' is positioned in the upper right quadrant, set against the white background.

# NOTICE OF AGM

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **15<sup>th</sup> (Fifteenth)** Annual General Meeting of the Company **HMA Agro Industries Limited** will be held on Friday, 22<sup>nd</sup> day of September, 2023 at 05:00 P.M. at “**Jaypee Palace Hotel & Convention Centre**” Fatehabad Road, Tajganj, Agra, Uttar Pradesh 282001 to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements (including the consolidated financial statements) of the Company for the financial year ended 31<sup>st</sup> March, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend of ₹3/- per Equity share for the financial year 2022-23.
3. To appoint a director in place of Gulzeb Ahmed (DIN: 06546660), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board  
For: **HMA AGRO INDUSTRIES LIMITED**

Sd/-  
**Gulzar Ahmad**  
Chairman cum Whole Time Director  
DIN: 01312305

Place: Agra  
Date: 29.08.2023

NOTICE OF ANNUAL GENERAL MEETING

**NOTES:**

1. The Ministry of Corporate Affairs ("MCA") has vide its circular nos. 20/2020, 02/2021, 19/2021, 02/2022 and 10/2022 dated 5th May, 2020, 13th January, 2021, 8th December, 2021, 5th May, 2022 and 28th December, 2022 respectively, read together with circular nos. 14/2020 and 17/2020 dated 8th April, 2020 and 13th April, 2020, respectively, (collectively referred to as "MCA Circulars") permitted convening of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") facility, without the physical presence of the members at a common venue. Further, Securities and Exchange Board of India ("SEBI") vide its circular nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/ HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62 and SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated 12th May, 2020, 15th January, 2021, 13th May, 2022 and 5th January, 2023 respectively, ("SEBI Circulars") has also granted certain relaxations with respect to AGM.

**Note: The management of the company has decided to conduct and convene the Annual General Meeting of the company in physical mode only. All the stakeholders are requested to attend the annual general meeting through physical mode only.**

2. There is no any special business in the agenda of AGM, so there is no requirement to give any Explanatory Statement setting out the material facts pursuant to Section 102(1) of the Companies Act, 2013.
3. The company is providing facility for voting by electronic means and the business may be transacted through such voting, however, the company has adopted physical mode for convening its **15<sup>th</sup> Annual General Meeting**. Therefore, members can also opt to physically attend the Annual General Meeting of the company.
4. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the Annual General Meeting. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting on the date of the Annual General Meeting will be provided by NSDL.
5. The facility for voting either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
6. The members who have cast their vote by remote-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
7. **A member entitled to attend and vote at the meeting is entitled to appoint another person (whether a shareholder or not) as his/her proxy to attend and vote instead of himself/ herself, and the proxy need not be a member but a proxy so appointed shall not have any right to speak at the meeting and can vote only on a poll. The proxies in order to be effective must be duly signed and received at the registered office of the Company not less than 48 hours before the commencement of the meeting. Proxy form is annexed to the notice as ANNEXURE-1.**
8. A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10%) percent of the total share capital of the company carrying voting rights. A member holding more than ten (10%) percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
9. In case of joint holders attending the Annual General Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamp not been cancelled, will be considered as invalid. If the Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such proxies shall be considered as invalid.
11. Members/ proxies should bring the attendance slip duly filled in for attending the meeting.
12. Proxies Holder shall prove his identity at the time of attending Meeting.
13. During the period beginning twenty-four (24) hours before the time fixed for the commencement of the AGM and ending with the conclusion of the AGM, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All relevant documents referred to in the accompanying Notice shall be open for inspection by the Members at the

Registered Office of the Company during normal business hours on all working days except Saturdays, up to and including the date of the AGM. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection during the AGM at the Registered Office of the Company.

14. Members are requested to bring their original photo ID (like PAN Card, Aadhaar Card, Voter Identity Card, etc, having photo identity) while attending the meeting.
15. Only bona-fide Members of the Company whose names appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
16. In order to enable us to register your attendance at the venue of the Annual General Meeting, we request you to bring your folio number/demat account number/DP ID-Client ID to enable us to give you a duly filled attendance slip for your signature and participation at the meeting.
17. Members are requested to quote their DP ID / Client ID, in all correspondence with the Company / Registrar and Share Transfer Agent
18. The Body Corporates are entitled to appoint authorized representatives and required to send a scanned copy (PDF/JPG format) of their respective Board or governing body resolution/ Authorization etc., authorizing their representative for the purpose of voting through e-voting or to participate and voting in the Annual General Meeting to the company on their email ID [cs@hmaagro.com](mailto:cs@hmaagro.com)
19. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
20. Members of the Company holding shares in Dematerialized forms as on Benpos date will receive Annual Report for the financial year 2022-23 through electronic mode.
21. The details of the directors seeking appointment/ reappointment as required by Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 issued by the Institute of Company Secretaries of India are given in **ANNEXURE-2** to the notice. The Board of Directors recommends all the appointments / reappointments as proposed. The directors have furnished consent/ declaration for their appointment/re-appointment as required under the Companies Act, 2013 and the Rules there under.
22. The Register of Members and Share Transfer Books of the Company shall remain closed from **Saturday, the September 16, 2023 to Friday, the September 22, 2023** (both days inclusive) for the purposes of the AGM and determining the names of members eligible for dividend on equity shares, if declared at the AGM.
23. Payment of dividend as recommended by the Board of Directors, if approved at the meeting, will be made within 30 days of its declaration in AGM, to those members whose names are on the Company's Register of Members on September 15, 2023 and those whose names appear as Beneficial Owners as at the close of the business hours on September 15, 2023 as per the details to be furnished by the Depositories, viz. NSDL and CDSL for this purpose.
24. In accordance with the provisions of the Income Tax Act, 1961 as amended by and read with the provisions of the Finance Act, 2020, with effect from April 1, 2020, dividend declared and paid by the Company is taxable in the hands of its Members and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at the applicable rates. A separate email had been sent at the registered email ID of the members describing about the detailed process to submit the documents / declarations along with the formats in respect of deduction of tax at source on the dividend payout. Sufficient time had been provided for submitting the documents / declarations by the Members who desire to claim beneficial tax treatment. The intimation will also be uploaded on the website of the Company at <https://www.hmagroup.co>
25. Pursuant to the provisions of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) Suspense Account. As this is the first time Company is declaring the dividend, therefore details related to these provisions are not applicable to the Company.
26. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their respective PAN details to their respective Depository Participants with whom they have their demat account(s).

27. Members are requested to intimate/update changes, if any, in postal address, e-mail address, mobile number, PAN, nomination details, bank details such as name of the bank and branch, bank account number, IFSC Code etc., as per instructions set out below:

Members holding the shares in electronic form should furnish the above details to their Depository Participant ("DP") in the prescribed form provided by the DP.

28. The Company has appointed **Bigshare Services Private Limited**, as its Registrars and Share Transfer Agents ("RTA") for rendering the entire range of services to the shareholders of the Company. Accordingly, all documents, demat request, change of address intimation and other communication in relation thereto with respect to shares in electronic form should be addressed to the RTA directly quoting Folio No./Demat Account, full name and name of the Company as HMA Agro Industries Limited.
29. Non Resident Indian members are requested to inform the Company's RTA, immediately of any change in their residential status on return to India for permanent settlement, their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code, IFSC and MICR Code, as applicable, if such details were not furnished earlier.
30. The Company's Securities are listed on BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001 and NSE Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai – 400051.
31. The Company has set **Friday, 15<sup>th</sup> day of September, 2023 as the "Cut-off Date"** for taking record of the shareholders of the Company who will be eligible for casting their vote on the resolution to be passed in the ensuing Annual General Meeting.
32. Mr. Ramesh Chandra Sharma, Company Secretaries in practice (Mem. No. FCS 5524) and proprietor of R. C. Sharma & Associates, Agra appointed as the Scrutinizer of the Company for the purpose of scrutinizing the process of voting through electronic means ("e-voting")
33. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than 48 Hours of the conclusion of the Annual General Meeting, a Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
34. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at <https://www.hmagroup.co>. The results shall also be uploaded to the Stock Exchange where the shares of the company are listed within 48 hours of the conclusion of the Annual General Meeting.
35. The Registers under the Companies Act, 2013 will be available for inspection by the Members at the Annual General Meeting.
36. The Annual Report of the Company for the year 2022-2023, circulated to the Members of the Company in electronic form and is available on the Company's website viz. <https://www.hmagroup.co>. The Annual Report is also available at the website of RTA Bigshare Services Private Limited viz. <https://www.bigshareonline.com>
37. MCA, Government of India, through its Circulars Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its Green Initiatives in corporate governance.
38. Shareholders intending to require information about accounts to be explained in the meeting are requested to inform the Company at following email id [cs@hmaagro.com](mailto:cs@hmaagro.com) at least seven days in advance of the Annual General Meeting. Also, Members who require e-communication and in case of any queries regarding the Annual Report, Members may write to [cs@hmaagro.com](mailto:cs@hmaagro.com)
39. Members may also note that the Annual Report for the financial year 2022-23 together with the Notice of **15<sup>th</sup> Annual General Meeting**, Attendance Slip, Proxy Form, Ballot Paper and Route Map will also be available on the website of the Company viz. <https://www.hmagroup.co> for their download.
40. **Attendance Slip (Annexure-3), Proxy Form (Annexure-1), Ballot Paper (Annexure-4)** have been enclosed herein. Route Map giving directions to the venue of the meeting is also annexed to the Annual Report.
41. The Annual Listing Fees for the year 2023-2024 have been paid by the Company to the BSE Limited and NSE Limited where the shares of the Company are listed.
42. The Independent Directors of the company has furnished the requisite declaration for independence as per Section 149 of the Companies Act, 2013.

43. Electronic copy of the Annual Report for 2022-2023 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same.
44. Members may also note that the Notice of the **15<sup>th</sup> Annual General Meeting** and the Annual Report for 2022-2023 will also be available on the Company's website <https://www.hmagroup.co> NSDL [www.evotingindia.com](http://www.evotingindia.com) or <https://www.evoting.nsdl.com/> and website of Bigshare Services Private Limited [www.bigshareonline.com](http://www.bigshareonline.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office located in Agra for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: [cs@hmaagro.com](mailto:cs@hmaagro.com).
45. As per the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020; SEBI Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022; and SEBI Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 ("SEBI Circulars"), the Annual Report will be sent through electronic mode to those Members whose email IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository participant and shareholders may submit request to send full annual report to the company on the email id [cs@hmaagro.com](mailto:cs@hmaagro.com).
46. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Friday, 22<sup>nd</sup> September, 2023, the date of the Annual General Meeting of the Company.
47. Only registered members carrying the attendance slips and the holders of valid proxies registered with the Company will be permitted to attend the meeting.
48. The facility for voting through Ballot / Polling Paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
49. In terms of Section 72 of the Companies Act, 2013, the shareholders of the Company may nominate a person on whom the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit nomination in Form no. SH-13.
50. The Company has entered into agreements with Central Depository Services (India) Limited ("CDSL") and National Securities Depository Limited ("NSDL") to offer depository services to the Shareholders. Shareholders can open account with any of the depository participant registered with CDSL and NSDL.
51. Any member requiring further information on the Accounts at the meeting is requested to send the queries in writing to the Company Secretary of the company by **15<sup>th</sup> September, 2023**.

#### OTHER INFORMATION

52. In respect of the matters pertaining to Bank details, ECS mandates, nomination, power of attorney, change in name/address etc., the members are requested to approach the Company's Registrars and Shares Transfer Agents, in respect of shares held in physical form and the respective Depository Participants, in case of shares held in electronic form. In all correspondence with the Company/Registrars and Share Transfer Agents, members are requested to quote their account/folio numbers or DP ID and Client ID for physical or electronic holdings respectively.
53. As a part of "Green initiative in the Corporate Governance", The Ministry of Corporate Affairs vide its circular nos. 17/2011 and 1/2011 dated 21.04.2011 and 29.04.2011, respectively, has permitted the companies to serve the documents, namely, Notice of General Meeting, Balance Sheet, Statement of Profit & Loss, Auditor's Report, Director's Report, etc., to the members through e-mail.
54. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the Annual General Meeting has been uploaded on the website of the Company at <https://www.hmagroup.co>. The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at [www.bseindia.com](http://www.bseindia.com). The 15<sup>th</sup> Annual General Meeting Notice is also disseminated on the website of NSDL (agency for providing the Remote e-Voting facility and e-voting system during the Annual General Meeting) i.e., [www.evotingindia.com](http://www.evotingindia.com)
55. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer Books of the company will remain closed **from Saturday, 15<sup>th</sup> September, 2023 to Friday, 22<sup>nd</sup> September, 2023** (both days inclusive).

The dividend of ₹3.00/- per equity share (@30%), as recommended by the Board of Directors, if declared at the AGM, will be paid/dispatched within 30 days from the date of the ensuing AGM of the Company as under:

- To all those beneficial owners holding shares in electronic form, as per the beneficial ownership data made available to the Company by National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) as on Friday, 15th September, 2023.

**Any query related to dividend should be directed to the RTA of the Company.**

Pursuant to the provisions of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after 1st April, 2020 shall be taxable in the hands of the Members, therefore, the Company is required to deduct tax at source at the time of making payment of dividend at the prescribed rates. In order to enable the Company to determine the appropriate TDS rate, as applicable, shareholders are requested to submit their documents in accordance with the applicable provisions. The Company will also send an e-mail to all shareholders at their registered email ids in this regard and the same shall be available under Investor Relations Section at the Company’s website i.e. <https://www.indiaglycols.com/investors/shareholders-communication.html>. The Members are requested to update their PAN with depository participant.



**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -**

The remote e-voting period begins on 19<sup>th</sup> September, 2023 at 09:00 A.M. and ends on 21<sup>st</sup> September, 2023 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 15<sup>th</sup> September, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 15<sup>th</sup> September, 2023.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system****A) Login method for e-Voting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL.</b>	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReq.jp">https://eservices.nsd.com/SecureWeb/IdeasDirectReq.jp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  <b>App Store</b>       <b>Google Play</b></div> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>

<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 - 2499 7000
<b>Individual Shareholders holding securities in demat mode with CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
<b>a) For Members who hold shares in demat account with NSDL.</b>	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
<b>b) For Members who hold shares in demat account with CDSL.</b>	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
<b>c) For Members holding shares in Physical Form.</b>	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically on NSDL e-Voting system.**

#### **How to cast your vote electronically on NSDL e-Voting system?**

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
- Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rcsharmacs@yahoo.com](mailto:rcsharmacs@yahoo.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on: 022 - 4886 7000 and 022 - 2499 7000 or send a request to of NSDL Official at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to (Company email id: [cs@hmaagro.com](mailto:cs@hmaagro.com))
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to (Company email id [cs@hmaagro.com](mailto:cs@hmaagro.com)). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

By Order of the Board  
For: HMA AGRO INDUSTRIES LIMITED

Sd/-  
Gulzar Ahmad  
Chairman cum Whole Time Director  
DIN: 01312305

Place: Agra  
Date: 29.08.2023

## ANNEXURE-1

**HMA AGRO INDUSTRIES LIMITED**

CIN: U74110UP2008PLC034977

Regd Off: 18A/5/3 Tajview Crossing Fatehabad Road Agra Uttar Pradesh-282001

**Form No. MGT-11**  
**(Proxy form)**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

<b>Name of the Member(s)</b>	
<b>Registered Address</b>	
<b>E-mail Id</b>	
<b>Folio No /Client ID</b>	
<b>DP ID</b>	

I/We, being the member(s) holding \_\_\_\_\_ shares of the above-named Company, hereby appoint:

1. Name:	E-mail Id:
Address:	
Signature: _____, or failing him	
2. Name:	E-mail Id:
Address:	
Signature: _____, or failing him	
3. Name:	E-mail Id:
Address:	
Signature: _____, or failing him	

as my/ our proxy to attend and vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held at "**Jaypee Palace Hotel & Convention Centre**" Fatehabad Road, Tajganj, Agra, Uttar Pradesh-282001 at 5:00 P.M. on Friday, the 22<sup>nd</sup> September, 2023 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars	Vote	
		For	Against
<b>Ordinary Business and Special Business</b>			
1.	To Receive, consider and adopt the Audited Financial Statements of the company for the financial year ended 31 <sup>st</sup> March, 2023 together with the reports of the Board of Directors ("the Board") and Auditors thereon.		
2.	To appoint a Director in place of Mr. Gulzeb Ahmed (DIN: 06546660), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.		
3.	To Declare Finals Dividend of ₹3 /- Per Equity Share for The Financial Year 2022-23		

Signed this \_\_\_\_ day of \_\_\_\_ 2023

Signature of Shareholder \_\_\_\_\_

Affix Revenue Stamp

Signature of Proxy holder(s) \_\_\_\_\_ Signature of the shareholder across Revenue Stamp

Note:

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- 2) The proxy need not be a member of the company.
- 3) The holder/proxy may vote either for or against each resolution.

## ANNEXURE-2

Additional information on Director(s) recommended for appointment/re-appointment as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard – 2

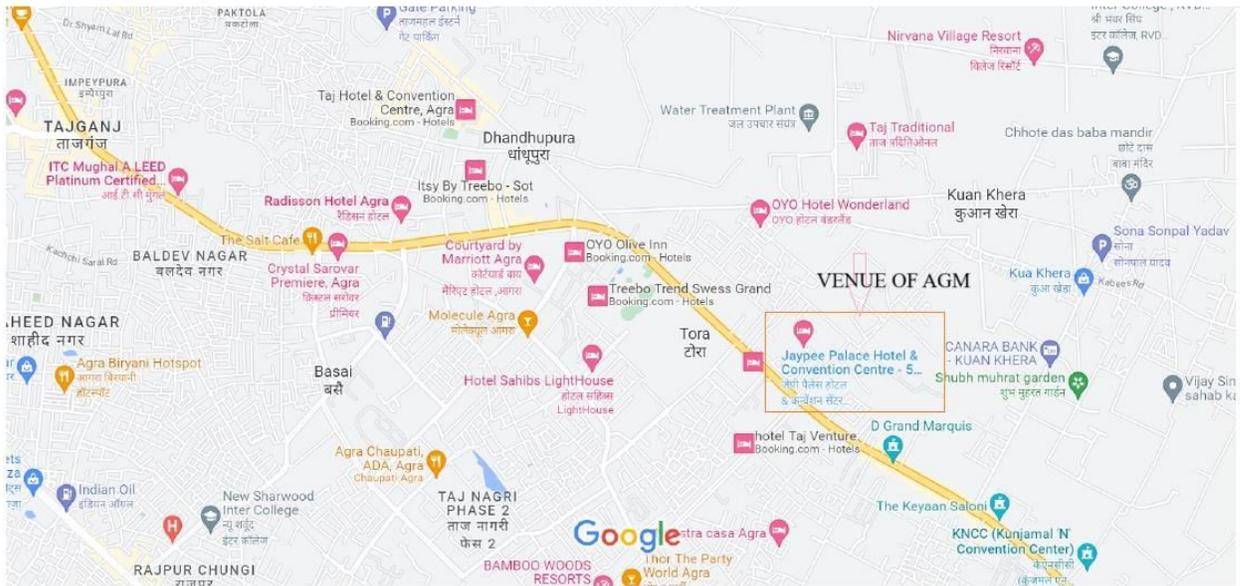
IN RESPECT OF ITEM NO.2

Name of the Director	Gulzeb Ahmed
DIN	06546660
Nationality	Indian
Date of Appointment on Board	03/06/2021
Qualification	Graduate
Date of Birth	10/12/1988
No. of Shares Held and Shareholding (%) in company	1,275 equity shares held and <b>0.0025</b> % of the Paid-Up Share Capital of the company
List of Directorships held in other Companies	3
Chairman/Member of the committee of the other Companies	N.A.
Chairman/Member of the committee of the Board of Directors of this Company	N.A.
Remuneration paid or sought to be paid	<b>₹12.01 Million</b>
Relationship with other Directors/KMP/Manager	Mr. Gulzeb Ahmed is son of Mr. Gulzar Ahmad.
Nature of Expertise in specific functional areas	Having experience in Managing Business, leadership, organizational development.
Brief Resume	Mr. Gulzeb Ahmed (DIN: 06546660) aged about 34 years is the Whole Time Director of our Company. He was appointed on the Board of our Company w.e.f. June 03,2021. He has completed his Certificate in Planning and Entrepreneurship course in Personnel Management and Marketing Management from The Indian Institute of Planning and Management and Bachelor of Business Administration from Dr. Bhim Rao Ambedkar University, Agra. He has over 8 Years of experience in the business and is also designated as CFO in our Company w.e.f July 08, 2021.
Skills and Capabilities of an Independent Director required for the role and the manner in which the person meets such requirements	N.A.
Companies from which the director has resigned in the past three years	N.A.
Terms and conditions for appointment/re-appointment	Executive Director liable to retire by rotation
Number of meetings of the Board attended during the year	<b>15</b>

**ANNEXURES TO THE NOTICE****ROUTE MAP FOR VENUE OF 15<sup>TH</sup> ANNUAL GENERAL MEETING**

**AT “Jaypee Palace Hotel & Convention Centre” Fatehabad Road, Tajganj, Agra, Uttar Pradesh-282001 at 5:00 P.M”**

VENUE OF AGM: JAYPEE PALACE HOTEL & CONVENTION CENTRE



**LINK OF THE MAP:**

[https://www.google.com/maps/place/Jaypee+Palace+Hotel+%26+Convention+Centre+-+5+Star+Deluxe+Hotel+in+Agra/@27.1538551,78.071379,15z/data=!4m9!3m8!1s0x3974713cc4a9238b:0x94adedd7bc3afe5b!5m2!4m1!1i2!8m2!3d27.1538551!4d78.071379!16s%2Fq%2F1wn\\_4hx\\_?entry=ttu](https://www.google.com/maps/place/Jaypee+Palace+Hotel+%26+Convention+Centre+-+5+Star+Deluxe+Hotel+in+Agra/@27.1538551,78.071379,15z/data=!4m9!3m8!1s0x3974713cc4a9238b:0x94adedd7bc3afe5b!5m2!4m1!1i2!8m2!3d27.1538551!4d78.071379!16s%2Fq%2F1wn_4hx_?entry=ttu)

**ANNEXURE-3****HMA AGRO INDUSTRIES LIMITED**

CIN: U74110UP2008PLC034977

Regd Off: 18A/5/3 Tajview Crossing Fatehabad Road Agra, UP 282001

**ATTENDANCE SLIP**

(To be presented at the entrance)

**15<sup>th</sup> Annual General Meeting on Friday on 22<sup>nd</sup> September, 2023**

Name of the Member attending meeting	
Registered Address	
Reg. Folio/DP & Client No.	
No. of Shares Held	

I certify that I am a registered Shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 15<sup>th</sup> Annual General Meeting of the Company at "**Jaypee Palace Hotel & Convention Centre**" Fatehabad Road, Tajganj, Agra, Uttar Pradesh-282001" at 5:00 P.M on Friday, 22<sup>nd</sup> September, 2023.

Members' Name \_\_\_\_\_ Proxy's Name \_\_\_\_\_

Members'/Proxy Signatures \_\_\_\_\_

Note:

- 1) Please fill this attendance slip and hand it over at the entrance of the premises.
- 2) Only Member/ Proxy holder can attend the meeting.
- 3) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOURS before the commencement of the meeting.
- 4) A Proxy need not be a member of the Company.
- 5) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 6) Member/ Proxy holder should bring his/her copy of the Annual Report for reference at the Meeting.

**ANNEXURE- 4****HMA AGRO INDUSTRIES LIMITED**

CIN: U74110UP2008PLC034977

**Regd Off:** 18A/5/3 Tajview Crossing Fatehabad Road Agra Uttar Pradesh-282001**BALLOT FORM**

1) Name of the first named Shareholder (In block letters): \_\_\_\_\_

2) Name(s) of the Joint Holder(s),

if any: \_\_\_\_\_

3) Postal Address: \_\_\_\_\_

\_\_\_\_\_

4) Registered Folio No. / Client ID No.:

\_\_\_\_\_

5) Class of Share: \_\_\_\_\_

6) No. of Shares: \_\_\_\_\_

I/we hereby exercise my/our vote(s) in respect of Ordinary/ Special Resolutions enumerated below to be passed through ballot form for the businesses stated in the notice of the Company dated \_\_\_\_\_ by recording, my/our assent or dissent to the said resolutions by placing the tick (√) mark at the appropriate box below:

Resolution No.	Resolutions	Type of Resolution	No. of Shares Held	FOR I/We assent to the resolution	AGAINST I/We dissent to the resolution
1.	To Receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2023 together with Reports of the Board of Directors ("the Board") and Auditors thereon.	Ordinary			
2.	To Declare Final Dividend of Rs. 3/- Per Equity Share for The Financial Year 2022-23	Ordinary			
3.	To appoint a Director in place of Mr. Gulzeb Ahmed (DIN: 06546660), who retires by rotation in terms of section 152 (6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.	Ordinary			

Place:

Date:

(Signature of the Shareholder)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

**INSTRUCTIONS**

- This Ballot Form will be provided to the Members who will physically present at the 15<sup>th</sup> Annual General Meeting for the purpose of voting and who have not cast their vote through remote e-voting process.
- Voting rights are reckoned on the basis of the shares registered in the name of the Members as on **15<sup>th</sup> September, 2023**.
- The form should be signed by the member as per the specimen signature registered with the Company/Depository.
- A member can request for a duplicate ballot form, if so required.

6. In case the shares are held by companies, trusts, societies, etc., the duly completed Ballot form should be accompanied by a certified true copy of the relevant Board Resolution together with their specimen signatures authorizing their representative.
7. Unsigned, incomplete, improperly or incorrectly tick marked Ballot forms will be rejected. The form will also be rejected, if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
8. The decision of the scrutinizer on the validity of the ballot form and any other related matter shall be final.

### **UPDATION OF SHAREHOLDER INFORMATION**

To,  
**HMA AGRO INDUSTRIES LIMITED**  
 18A/5/3 Tajview Crossing Fatehabad Road  
 Agra Uttar Pradesh-282001

#### **Updation of Shareholder Information**

I / We request you to record the following information against my / our Folio No.:

#### **General Information:**

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN / Registration No.: * (Applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

\*Self-attested copy of the document(s) enclosed

#### **Bank Details:**

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

\* A blank cancelled cheque is enclosed to enable verification of bank details.

I / We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I / we would not hold the Company / RTA responsible. I / We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / we hold the securities under the above-mentioned Folio No. / beneficiary account.

**Place:**

**Date:**

**Signature of Sole / First holder**

The background features a large, abstract geometric design. A prominent diagonal line runs from the top-left towards the bottom-right. This line is divided into three distinct color sections: a red section at the top, a dark blue section in the middle, and another red section at the bottom. The overall composition is clean and modern, with high contrast between the colors.

# BOARD REPORT

**DIRECTOR'S REPORT TO THE SHAREHOLDERS**

The directors have pleasure in presenting the Directors Report and the audited accounts for the year ended 31<sup>st</sup> March 2023.

**WORKING HIGHLIGHTS:**

The Company is mainly engaged in the business of Slaughtering, processing & rendering of meat and meat products, edible consumable products, developing forest crops, natural products, agricultural, plantation and horticultural crops. The Directors are very pleased to inform you that company has received tremendous response and the same is expected to progress in future.

**FINANCIAL PERFORMANCE:**

The Company's Financial Performance for the financial year ended on 31<sup>st</sup> March, 2023 under review along with previous year figures are given hereunder:

**Summary of Standalone Financial Statement:****(In ₹ Millions)**

Particulars	Current Year 31.03.2023	Previous Year 31.03.2022
Revenue from operations including other income	31,716.29	29,773.79
Less: Expenditure	29,879.23	28,279.90
Profit/(Loss) Before Tax	1,837.06	1,493.89
Less: Tax Expenses	485.41	
Current Tax	-21.56	382.10
Deferred Tax	-	-1.73
Tax expense related to prior years		10.15
Profit/(Loss) After Tax	1,373.21	1,103.36
Balance carried to Balance Sheet	1,373.21	1,103.36

**Summary of Consolidated Financial Statement:****(In ₹ Millions)**

Particulars	Current Year 31.03.2023	Previous Year 31.03.2022
Revenue from operations including other income	32,560.91	31,389.76
Less: Expenditure	30,825.38	29,803.64
Profit/(Loss) Before Tax	1,735.53	1,586.12
Less: Tax Expenses		
Current Tax	521.13	411.87
Deferred Tax	-20.26	-0.73
Tax expense related to prior years	-	10.15
Profit/(Loss) After Tax	1,234.66	1,164.83
Balance carried to Balance Sheet	<b>1,234.66</b>	<b>1,164.83</b>

**TRANSFER TO RESERVES:**

The Board of Directors of your company has decided not to transfer any amount to the Reserves for the year under review.

**DIVIDEND:**

Your directors are pleased to recommend a dividend of ₹3/- (Rupee Three Only) per equity share of face value of ₹10/- each (i.e.30%) for the financial year ended 31<sup>st</sup> March, 2023 subject to the approval of the Shareholders in the ensuing Annual General Meeting ("AGM").

In view of the changes made under the Income-tax Act, 1961 by the Finance Act, 2020, dividend paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

The dividend recommended is in accordance with the Company's Dividend Distribution Policy ("the Policy") adopted in pursuance to the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"). The Policy contains broad parameters and factors while recommending/declaring dividend(s) by the Board of Directors. The Policy is available on the Company's website at <https://www.hmagroup.co/wp-content/uploads/2023/07/3-Dividend-Distribution-Policy.pdf>

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND ("IEPF"):**

The company does not have any dividend which remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend account and hence no amount has been transferred to the IEPF established by the Central Government.

**WEB LINK OF ANNUAL RETURN:**

The Company is having website i.e. <https://www.hmagroup.co> and copy of annual return of Company has been published on such website. The Link of the same is given below: <https://www.hmagroup.co/wp-content/uploads/2023/07/Annual-Return-2021-2022.pdf>

**CAPITAL STRUCTURE:**

There is no change in the Authorized and Paid-up Share Capital of the company during the year.

The Authorized Share Capital of the Company is ₹700,000,000/- (Rupees Seventy Crore only) divided into 70,000,000 (Seven Crore Only) equity shares of ₹10/- each.

The Issued, subscribed & Paid-up share capital of the Company is ₹47,51,28,750 (Rupees Forty-Seven Crore Fifty-One Lakhs Twenty Eight Thousand Seven Hundred Fifty Only) divided into 4,75,12,875 (Four Crore Seventy Five Lakhs Twelve Thousand Eight Hundred Seventy Five) equity shares of ₹10/- each.

**CAPITAL STRUCTURE AFTER FINANCIAL YEAR BUT BEFORE THE DATE OF ANNUAL REPORT:**

There is change in Paid -up Share Capital of the Company after the end of Financial Year but before the date of Annual Report: -

The Paid-up Equity Share Capital of the Company increased from ₹47,51,28,750 (Rupees Forty Seven Crore Fifty One Lakhs Twenty Eight Thousand Seven Hundred Fifty Only) divided into 4,75,12,875 (Four Crore Seventy Five Lakhs Twelve Thousand Eight Hundred Seventy Five) equity shares of ₹10/- (Rupees Ten Only) each to Rs.500,769,770 /- (Rupees Fifty Crore and Seven Lakhs Sixty Nine Thousand Seven Hundred and Seventy only) divided into 500,769,77 (Five Crore Seventy Six Thousand Nine Hundred and Seventy Seven only) by way of **Initial Public Offering (IPO)** of 82,05,127 (Eighty Two lakhs Five Thousand One Hundred and Twenty Seven ) equity shares of ₹10/- (Rupees Ten Only) consisting of Fresh issue of 2,564,102 (Twenty-Five Lakhs Sixty-Four Thousand One Hundred and Two) equity shares and offer for sale of 5,641,025 (Fifty-Six Lakhs Forty-One Thousand and Twenty-Five) equity shares

**STATE OF AFFAIRS:**

Your Company is engaged in the business of Slaughtering, processing & rendering of meat and meat products, edible consumable products, developing forest crops, natural products, agricultural, plantation and horticultural crops as mentioned in its Memorandum of Association of the company.

**CHANGE IN THE NATURE OF BUSINESS:**

There is no change in the nature of the business of the Company during the year.

**DEPOSITORY SERVICES:**

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depositories Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No.

**INE0ECP01016.** Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their demat Accounts for getting their holdings in electronic form.

**MATERIAL CHANGES DURING THE FINANCIAL YEAR.**

There have been **no** material changes and commitments which have occurred.

**MATERIAL CHANGES BETWEEN THE DATE OF THE BOARD REPORT AND END OF FINANCIAL YEAR:**

There have been material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:-

Paid up share capital of the company increased as the Company got listed on **National Stock Exchange and Bombay Stock Exchange** on 04.07.2023 with Fresh issue of 2,564,102 (Twenty Five Lakhs Sixty Four Thousand One Hundred and Two ) equity shares and offer for sale of 5,641,025 equity shares which opened for subscription on for Anchor Investor on June 19,2023 and closed on June 19,2023 and for Public opened on June 20,2023 and closed on June 23,2023 wherein 82,05,127 Equity Shares, be and hereby issued to respective bidders.

**APPLICATION UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (SETTLEMENT PROCEEDINGS) REGULATIONS, 2018:**

There has been no application under Securities and Exchange Board of India (settlement proceedings) regulations, 2018 during the financial year to which the financial statements of the Company relate and the date of the report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**1. Changes in Directors**

There is a **change during the financial year** in the composition of the Board of Directors of the company: -

- Appointment of Bhumika Parwani as a Non-Executive Independent Director of the company w.e.f. 26.09.2022
- Resignation of Swapna Gupta from the post of Non-Executive Independent Director w.e.f. 30.09.2022.

**2. Changes in Directors Between the Date of The Board Report and End of Financial Year:**

There is no change in directors after the end of the financial year to which the board report relates in the composition of the Board of Directors of the company.

**3. Director Retire by Rotation:**

Mr. Gulzeb Ahmed (DIN: 06546660), Whole-time director of the company shall be liable to retire by rotation at the ensuing Annual General Meeting and being eligible, he offers himself for re-appointment.

**4. Declaration by The Independent Directors**

The Company has received declarations from all Independent Directors of the Company confirming that they continue to meet the criteria of independence as prescribed under Section 149 of the Companies Act 2013, Regulations 16 and 26 of the Securities and Exchange board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

**5. Changes in Key Managerial Personnel**

The appointment of Key Managerial Personnel is mandatory as per Section 203 of the Companies Act, 2013 as the company fall in the limits as prescribed under section 203 of Companies Act 2013 ("Act").

The existing composition of the Company's board is fully in conformity with the applicable provisions of the Act 2013 and applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,2015 having the following **details of Directors/Key managerial Personnel:**

S.NO	NAME OF DIRECTOR	DESIGNATION	DIN/PAN
1.	Mr. Wajid Ahmed	Managing Director	01312261
2.	Mr. Gulzar Ahmad	Chairman cum Whole time Director	01312305
3.	Mr. Gulzeb Ahmed	Whole Time Director	06546660
4.	Mr. Amit Goyal	Independent Director	05146923
5.	Mr. Gaurav Rajendra Luthra	Independent Director	08023492
6.	Mrs. Bhumika Parwani	Independent Director	09732792
7.	Mr. Gulzeb Ahmed	Chief Financial Officer	AIIPA0593N
8.	Mr. Nikhil Sundrani	Company Secretary	FVLPS2705B

**DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES:**

As on March 31, 2023, the Company has following **Subsidiary/Wholly owned Subsidiary/Associates** namely.

Sr. No	Name of the Company	Subsidiary/Wholly owned Subsidiary/Associates
1.	FNS Agro Foods Limited	Wholly Owned Subsidiary
2.	HMA Natural Foods Private Limited	Subsidiary
3.	HMA Food Export Private Limited	Wholly Owned Subsidiary
4.	Swastik Bone and Gelatines Private Limited	Wholly Owned Subsidiary
5.	United Farm Products Private Limited	Wholly Owned Subsidiary
6.	Laal Agro Food Private Limited	Wholly Owned Subsidiary
7.	JFF Exports Private Limited	Wholly Owned Subsidiary
8.	Federal Agro Industries Private Limited	Subsidiary
9.	Indus Farmers Food Co. LLP	Associates
10.	Reliable Agro Foods	Associates
11.	International Agro Food Exports	Associates

**HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES AND THEIR CONTRIBUTION TO THE OVERALL PERFORMANCE OF THE COMPANY DURING THE PERIOD UNDER REPORT:**

The company have subsidiary, associate and joint venture companies during the financial year under review, the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report is mentioned in **Annexure-A-Form AOC-1** as a part of this report.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

During the period under review, there has been no one time settlement from the banks or financial institutions.

**INTERNAL CONTROL SYSTEM**

The Company has a well-placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's internal control system comprises audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks. Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division to the Audit Committee of the Board.

**RISK MANAGEMENT POLICY:**

The Company has developed and implemented a risk management policy which identifies major risks which may threaten the existence of the Company. The same has also been adopted by your Board and is also subject to its review from time to time. Risk mitigation process and measures have been also formulated and clearly spelled out in the said policy.

The Board of the Company has evaluated a risk management to monitor the risk management plan for the Company. The audit committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The Risk Management Policy is available on the website of the Company at <https://www.hmagroup.co>.

**STATUTORY AUDITORS:**

**M/S MAPPS AND COMPANY**, Chartered Accountants (**Firm Registration No. 012796C**), were appointed as Statutory Auditors of the company at the Annual General Meeting held on 30<sup>th</sup> November 2021, for a term of five consecutive years from the conclusion of this Annual General Meeting till the conclusion of sixth Annual General Meeting to be held in 2026, for a term of 5 (five) year.

The Report given by the Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The statutory auditor report is annexed to this annual report. There are no adverse remarks on disclosure by the statutory auditors in their report. They have not reported any incident of fraud to the Audit Committee of the Company during the year under review.

**AUDITOR'S REPORT:**

The Auditors' Report to the shareholders does not contain any qualification. The notes to accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any comments.

**BOARD'S COMMENT ON THE AUDITORS' REPORT AND SECRETARIAL AUDIT REPORT:**

The Auditors' Report for the financial year 2022-2023 given by **M/s MAPPS AND COMPANY**, to the shareholders does **not** contain any qualification. The notes to accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any comments.

The **Secretarial Auditor Report** for the financial year 2022-2023 given by **M/s R.C. Sharma and Associates** to the shareholders does **not** contain any qualification. The matters referred to in the Secretarial Auditor Report are self-explanatory and therefore do not call for any comments.

**DETAILS OF FRAUD REPORT BY AUDITOR:**

As per auditors' report, no fraud u/s 143(12) reported by the auditor.

**LISTING OF SHARES:**

The Company's shares are listed on BSE Limited and NSE Limited.

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES:**

There have been some related party transactions, between the Company and the Directors and the management and the relatives of KMP, which are in the ordinary course of business at arm's length basis.

Accordingly pursuant to the provisions of Companies Act 2013, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in Form AOC-2 form part of the report and enclosed in this report as **ANNEXURE –B**.

**POLICY ON SEXUAL HARASSMENT:**

The Company has constituted Internal Complaints Committee under the sexual harassment of women at workplace (prevention, prohibition and Redressal) Act, 2013 and has in place a Policy on Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint received from any employee during the financial year 2022-2023.

**DISCLOSURE OF THE ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS IN THE FINANCIAL YEAR:**

Particulars under Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 do not apply to the company as the company has not issued any equity shares with differential voting rights during the financial year 2022-2023.

**FIXED DEPOSITS:**

During the year under review, the Company has not accepted any fixed deposits from the public, and as on March 31, 2023 the Company had no unclaimed deposits or interest thereon due to any depositor.

**DEPOSITS:**

The Company has not accepted any deposits from public under Chapter V of the Companies Act, 2013, during the financial year under review. During the year 2022-23, Company has filed for DPT-3 in compliance of the Companies Act, 2013.

**CORPORATE SOCIAL RESPONSIBILITY:**

As an integral part of our commitment to good corporate citizenship, your Company strongly believes in adopting steps to improve the quality of life of the people in the communities around us. Founded on the philosophy that society is not just another stakeholder in its business, but the prime purpose of it, the Company, across its various operations is committed to making a positive contribution towards achieving long-term stakeholder value creation.

As the operations have expanded, your Company has retained a collective focus on the various areas of corporate sustainability that impact people, environment and the society at large.

We have annexed a report called "Annual Report on CSR Activities" (CSR-2) as **Annexure-C** and you can extract more details about CSR Expenditure during the financial year 2022-23.

**VIGIL MECHANISM:**

As Per Regulation 22 (1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 it is mandatory for every listed company to formulate a vigil mechanism for directors and employees to report genuine concern. According to section 177(10) of the Companies Act, 2013 it is mandatory for the company to disclose the establishment of such mechanism on the website of the company and in the Board's Report.

The Company has established a vigil mechanism, through a Whistle Blower Policy, where Directors and employees can voice their genuine concerns or grievances about any unethical or unacceptable business practice. A whistle-blowing mechanism not only helps the Company in detection of fraud, but is also used as a corporate governance tool leading to prevention and deterrence of misconduct.

It provides direct access to the employees of the Company to approach the Compliance Officer or the Chairman of the Audit Committee, where necessary. The Company ensures that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment or victimization.

The mechanism also provides for adequate safeguards against victimization of directors and employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in the exceptional cases. We affirm that during the financial year 2022-23, no employee or director was denied access to the Audit Committee.

The Vigil mechanism / Whistle Blower Policy is available on the website of the Company at <https://www.hmagroup.co>. The web link of the same is <https://www.hmagroup.co/wp-content/uploads/2023/07/10.Vigil-Mechanism-Policy.pdf>

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.**

There are no applications made or any proceeding pending under the insolvency and bankruptcy code, 2016 during the year.

**THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF:**

During the period under review, there has been no one time settlement from the banks or financial institutions.

**HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

The Company is pleased to report that during the year under reporting, the industrial relations were cordial.

**MEETINGS OF THE BOARD OF DIRECTORS:**

The Board of Directors of the Company met **Fifteen** times during the year in respect of which proper notices were given and the proceedings were properly recorded, signed and maintained in the Minutes book kept by the Company for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Dates of Board of Directors Meeting is mentioned in below table

**Table of Board of Directors Meeting**

S.NO	DATE OF MEETING
1.	12.04.2022
2.	09.05.2022
3.	10.06.2022
4.	18.07.2022
5.	13.08.2022
6.	26.08.2022
7.	15.09.2022
8.	30.09.2022
9.	13.10.2022
10.	18.11.2022
11.	12.12.2022
12.	09.01.2023
13.	04.02.2023
14.	24.02.2023
15.	10.03.2023

The names of members of the Board, their attendance at the Board Meetings is as under:

Name of Directors, Number of Meetings attended/ Total Meetings held during the F.Y. 2022-23

Name of the Director	No of Meetings Eligible to Attend	No of meetings Attended
Gulzar Ahmad	15	15
Wajid Ahmad	15	15
Amit Goyal	15	14
Gulzeb Ahmed	15	15
Gaurav Rajendra Luthra	15	15
Bhumika Parwani	8	0
Swapnla Gupta	8	3

**ANNUAL PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013, a formal annual evaluation needs to be made by the Board of its own performance and that of its Committees and individual directors. Schedule IV of the Companies Act, 2013 states that the performance evaluation of the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria. The Board has carried out an evaluation of its own performance, the directors individually as well as (including chairman) the evaluation of the working of its Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee of the Company.

The Board has devised questionnaire to evaluate the performances of each of Executive, Non-Executive and Independent Directors. Such questions are prepared considering the business of the Company and the expectations that the Board have from each of the Directors. The evaluation framework for assessing the performance of Directors comprises of the following key areas:

1. Attendance at the Board Meetings and Committee Meetings;
2. Quality of contribution to Board deliberations;
3. Strategic perspectives or inputs regarding future growth of Company and its performance;
4. Providing perspectives and feedback going beyond information provided by the management.

**SEPARATE MEETINGS OF INDEPENDENT DIRECTORS**

As stipulated by the Code of Independent Directors under Schedule IV of the Companies, Act, 2013, a separate meeting of the Independent Directors of the Company was held to review the performance of Non- Independent Directors, the Board as whole, including the Chairman of the Company and to discuss the matters related to the quality, quantity and timeliness of flow of information between the Company management and the Board. The Independent Director Meeting for this Matter was held by the Company on 30<sup>th</sup> March, 2023 and the information regarding this matter has been preserved and kept under record by the Company Secretary of the Company.

**COMMITTEE MEETINGS:**

The Audit Committee met 8 times during the financial year ended March 31, 2023. No meeting of Stakeholders Relationship Committee was held during the financial year ended March 31, 2023. The nomination and remuneration committee met 5 times during the financial year ended March 31, 2023. Members of the Committees discussed the matter placed and contributed valuable inputs on the matters brought before.

Additionally, during the financial year ended March 31, 2023 the Independent Directors held a separate meeting in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on **30.03.2023**.

**AUDIT COMMITTEE:**

The company being a listed company falls under the criteria as defined under section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014. The company has re-constituted the Audit Committee with Mr. Gaurav Rajendra Luthra (Non-Executive Independent Director and Chairman of the committee), Mrs. Bhumika Parwani (Non-Executive Independent Director and member of the committee) and Mr. Wajid Ahmed (member of the committee) w.e.f 13<sup>th</sup> Day of October, 2022.

Eight Meetings of the Audit Committee were held during the financial year 2022-23. The Committee meetings were held on 12.04.2022, 09.05.2022, 11.07.2022, 26.08.2022, 13.10.2022, 07.01.2023, 01.02.2023 and 01.03.2023. The composition and attendance of the members of the Audit Committees:

Name of the Director	Position in committee	No. of meetings attended
Mr. Gaurav Rajendra Luthra	Chairman	8
Mrs. Bhumika Parwani	Member	4
Mr. Wajid Ahmed	Member	8

**NOMINATION AND REMUNERATION COMMITTEE:**

The Board has a Nomination and Remuneration policy, which is generally in line with the existing industry practice and applicable laws. The policy has been displayed on the Company's website viz. <https://www.hmagroup.co>.

The Nomination and Remuneration Committee assist the Board in overseeing the method, criteria and quantum of compensation for directors and senior management based on their performance and defined assessment criteria. The Committee formulates the criteria for evaluation of the performance of Independent Directors & the Board of Directors; identifying the persons who are qualified to become directors, and who may be appointed in senior management and recommend to the Board their appointment and removal. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under section 178 of the Companies Act, 2013.

The company has re-constituted the Nomination and Remuneration Committee Mr. Amit Goyal (Non-Executive Independent Director and Chairman of the committee), Mrs. Bhumika Parwani (Non-Executive Independent Director and member of the committee) and Mr. Gaurav Rajendra Luthra (Non-Executive Independent Director and member of the committee) w.e.f 13<sup>th</sup> Day of October, 2022.

Five Meetings of the Nomination and Remuneration Committee were held during the financial year 2022-23. The Committee meetings were held on 12.04.2022, 11.07.2022, 15.09.2022, 30.09.2022 and 07.01.2023. The composition and Attendance of the members of the Nomination and Remuneration Committee for the financial year 2022-2023 is as follows:

Name of the Director	Position in committee	No. of meetings attended
Mr. Amit Goyal	Chairman	5
Mrs. Bhumika Parwani	Member	0
Mr. Gaurav Rajendra Luthra	Member	5

#### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

The company has duly constituted the Stakeholder Relationship Committee with Mrs. Bhumika Parwani (Non-Executive Independent Director and Chairperson of the committee), Mr. Wajid Ahmed (Member of the committee) and Mr. Gulzar Ahmad (Member of the committee) w.e.f 13<sup>th</sup> Day of October, 2022.

The composition and attendance of the members of the Stakeholders' Relationship Committee for the financial year 2022-23 is as follows:

Name of the Director	Position in committee
Mrs. Bhumika Parwani	Chairman
Mr. Gulzar Ahmad	Member
Mr. Wajid Ahmed	Member

#### **REMUNERATION POLICY**

The Board has on the recommendation of the Nomination and Remuneration Committee framed a policy for selection, appointment and remuneration of Directors and KMPs and is also available in the website of the company at <https://www.hmagroup.co>

#### **Policy for Remuneration to Directors/Key Managerial Personnel**

##### **i. Remuneration to Managing Director/Whole-time Directors:**

- (a) The Remuneration/Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- (b) The Nomination & Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director/Whole-time Directors.

##### **ii. Remuneration to Non-Executive/Independent Directors:**

- a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Companies Act, 2013.
- b) All remuneration of the Non-Executive/Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling/limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and shall also not be eligible to participate in any share-based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive/ Independent Directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - The Services are rendered by such Director in his capacity as the professional; and
  - In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

**iii. Remuneration to Key Managerial Personnel:**

- (a) The remuneration to Key Managerial Personnel shall consist of fixed pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- (b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from time to time in accordance with the Company's Policy.

**Remuneration paid to Non-Executive Directors and Executive Directors**

Non-executive Directors of a company's Board of Directors add substantial value to the Company through their contribution to the Management of the Company. In addition, they also play an appropriate control role.

**NOMINATION AND REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a Policy for selection, appointment and remuneration of Directors and Key Managerial Personnel, including criteria for determining qualifications, positive attributes and Independence of Directors.

The said policy is available on the Company's Website. Website Link: <https://https://www.hmagroup.co>.

**SECRETARIAL AUDITORS**

As required under Section 204 of the Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company is required to appoint a Secretarial Auditor for auditing the secretarial and related records of the Company and to provide a report, in this regard M/s R.C. Sharma & Associates, was appointed as the Secretarial Auditor of the company for the financial year 2022-2023.

The Secretarial Audit Report in (**FORM MR-3**) made by practicing company secretary in Agra **M/s R. C. Sharma & Associates** for the financial year 2022-2023 contains no qualification, reservation or adverse remark. The Secretarial Audit Report made by practicing company secretary M/s R. C. Sharma & Associates for the financial year 2022-2023 is annexed as (**ANNEXURE-D**).

The Board of Directors has appointed M/s R. C. Sharma & Associates, Company Secretaries as Secretarial Auditors for the financial year 2022-2023.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:**

The loan given or guarantee provided, or investment made by the Company during the financial year 2022-2023 as per Section 186 of the Companies Act, 2013 have been given in the Balance Sheet and Audit Report.

**COST RECORD AND COST AUDIT:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

**INDUSTRIAL RELATIONS:**

The Company maintained healthy, cordial and harmonious industrial relations at all levels. The enthusiasm and unstinting efforts of employees have enabled the Company to maintain efficiency in the industry. It has taken various steps to improve productivity across organization.

**COMPLIANCE WITH SECRETARIAL STANDARD:**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

**CORPORATE GOVERNANCE:**

Pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, (SEBI (LODR) Regulations, 2015) a report on Corporate Governance along with a Certificate from the Practicing Company Secretary towards compliance of the provisions of Corporate Governance, forms an integral part of this Annual Report and are given in **Annexure-E**.

**BOARD EVALUATION:**

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, development of suitable strategies and business plans at appropriate time and its effectiveness; etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness/conduct of committee meetings, process and procedures followed for discharging its functions etc.

The Board and the Nomination and Remuneration Committee ("RC") reviewed the performance of the individual directors on the basis of the criteria such as developing and managing / executing business plans, operational plans, risk management, and financial affairs of the organization and the contribution of the individual director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role like demonstration of leadership qualities, managing relationship with the members of the Board and management etc.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors and also assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

The performance evaluation of Independent Directors was done by the entire Board and in the evaluation the Director who was subject to evaluation did not participate. On the basis of performance evaluation done by the Board, it shall be determined whether to extend or continue their term of appointment, as and when their respective term expires.

#### **INTERNAL AUDITORS**

The Company has appointed Internal Auditors M/s A.L Agarwal & Associates, Chartered Accountants of the company to conduct Internal Audit of the accounts maintained by the Company for financial year 2022-23.

There were no qualifications, reservation or adverse remark made by the Internal Auditors in their report

#### **PARTICULARS OF EMPLOYEES:**

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 there is no employee drawing remuneration above the limits set under Section 197 (12) read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the disclosure as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies(Appointment and Remuneration of Managerial Personnel)Rules, 2014 is annexed to this Board's report as **ANNEXURE-F**.

#### **MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis of financial condition including the result of operations of the Company for the year under review, as required under regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is given as a separate statement in Annual Report as **ANNEXURE-G**.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under sub-section (3) (m) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are furnished in below

#### **ENERGY CONSERVATION AND TECHNOLOGY ABSORPTION**

We are totally committed to efficient plant operation & energy conservation in its Power Plants. The Company has already taken many steps for Energy Conservation in the past. New measures undertaken this year are as attached as **Annexure-H**

#### **BUSINESS RESPONSIBILITY AND SUSTANABILITY REPORT**

As per the provisions of Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Annual Report of the top 1000 listed entities based on market capitalization shall include a Business Responsibility and Sustainability Report. But the Company was not being one of such top 1000 listed entities at the end of the financial year 31<sup>st</sup>March, 2023, so it is not required to annex any Business Responsibility and Sustainability Report.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that: –

- i. that in the preparation of annual accounts for the financial year ended 31st March 2023, the applicable Accounting Standards had been followed and that there were no material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;
- iii. that the directors had taken proper and sufficient care for the 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 fraud and other irregularities;
- iv. that the directors had prepared the accounts for the financial year ended 31st March 2023 on a going concern basis;
- v. that the directors of the Company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

**CODE OF CONDUCT**

Declaration by the Managing Director (MD), inter alia, confirming that the Board of Directors of the company have complied with the “CODE OF CONDUCT OF THE BOARD OF DIRECTORS”, is attached and forms part of Annual report.

The Board has adopted the Code of Conduct for members of the Board and Senior Management personnel of the Company. The Code lays down, in details, the standards of business conduct, ethics and governance. Code of Conduct has also been posted on the Company's Website <https://https://www.hmagroup.co>.

**DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has clearly defined organization structure and lines of authority and sufficient Control is exercised through business review by the Management. The Company has adopted a well-defined system to ensure adequacy and efficiency of the Internal Financial Control Function.

**INSIDER TRADING**

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Designated Persons' (“the Code”) in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 (“PIT Regulations”). The Code is applicable to promoters, member of promoter group, all Directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company Secretary is the Compliance Officer for monitoring adherence to the said PIT Regulations. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website <https://https://www.hmagroup.co>.

**ACKNOWLEDGMENT**

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by the employees at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation, and support.

We thank the Government of India, Ministry of Commerce & Industry, Ministry of Corporate Affairs, Ministry of Finance, Department of Economic Affairs, Customs & Excise Departments, Income Tax

Department, Reserve Bank of India, BSE, NSE, NSDL, CDSL and various bankers, various State Governments and other Government Agencies for their support, and look forward to their continued support in the future.

Your Directors appreciate and value the trust imposed upon them by the members of the Company.

By Order of the Board

For: **HMA AGRO INDUSTRIES LIMITED**

Sd/-

**Gulzar Ahmad**

**Chairman cum Whole Time Director**

**DIN: 01312305**

**Place: Agra**

**Date: 29.08.2023**

## ANNEXURE-A

**FORM AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures**

**Part: A Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rupees)

(In ₹Millions)

1.SI.No	1	2	3	4	5
2.Name of the subsidiary	FNS Agro Foods Limited	HMA Natural Foods Private Limited	HMA Food Export Private Limited	United Farm Product Private Limited	Laal Agro Food Private Limited
3.The date since when subsidiary was acquired	29.10.2016	04.04.2016	18.05.2017	23.05.2018	20.01.2020
4.Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A
6.Share capital	8.95	24.90	16.87	158.15	0.1
7. Reserves and surplus	0.84	(1.06)	127.40	(203.22)	(6.18)
8.Total assets	40.68	27.89	334.88	2116.39	71.40
9. Total Liabilities	30.89	4.059	190.613	2,161.46	77.48
10. Investments	-	-	-	-	-
11.Turnover	0	0	531.54	1,289.77	0
12.Profit/loss before taxation	(4.66)	(0.04)	17.80	(200.50)	(0.43)
13.Provision for taxation	0.039	-	6.08	5.109	(0.19)
14.Profit/loss after taxation	(4.70)	(0.04)	11.72	(205.60)	(0.24)
15. Proposed Dividend	-	-	-	-	-
16.Extent of shareholding (in percentage)	100%	90.36%	100%	100%	99.99%

1.SI.No	6	7	8	9	10
2.Name of the subsidiary	Swastik Bone And Gelatines Private Limited	JFF Exports Private Limited	Indus Farmers Food Co. LLP	Federal Agro Industries Private Limited	Reliable Agro Foods
3.The date since when subsidiary was acquired	27.03.2015	23.07.2020	01.12.2017	01.04.2021	09.11.2022
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023	01.04.2022 to 31.03.2023
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A
6.Share capital	10	0.1	33.43	9.74	15.43
7. Reserves and surplus	(18.21)	(0.24)	(0.62)	352.94	(1.74)
8.Total assets	20.37	409.40	70.93	46.59	206.11
9. Total Liabilities	28.59	409.40	38.12	103.172	53.55
10. Investments	-	-	-	-	-
11. Turnover	0	0	0	13,679.89	208.347
12. Profit/loss before taxation	(1.16)	(0.05)	(0.41)	103.419	(11.56)
13. Provision for taxation	-	-	-	25.98	-
14.Profit/loss after taxation	(1.16)	(0.05)	(0.41)	77.44	(11.56)
15. Proposed Dividend	-	-	-	-	-
16.Extent of shareholding (in percentage)	100%	100%	90.46%	60%	95%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations (NA)
2. Names of subsidiaries which have been liquidated or sold during the year. (NA)

**Part B Associates and Joint Ventures:**

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Venture	INTERNATIONAL AGRO FOOD EXPORTS
1. Latest audited Balance Sheet Date	31.03.2023
2. Date on which the Associate or Joint Venture was associated or acquired	22.01.2015
3. Shares of Associate or Joint Ventures held by the company on the year end	Not applicable
No.	Not Applicable
Amount of Investment in Associates or Joint Venture	29.83
Extent of Holding (in percentage)	49.40%
Partners' Capital	60.36
4. Description of how there is significant influence	Control or participation in business decisions under an agreement
5. Reason why the associate/ joint venture is not consolidated	Not Applicable
6. Net worth attributable to shareholding as per latest audited Balance Sheet	Not Applicable
7. Profit or Loss for the year	(0.047)
i. Considered in Consolidation	49.40%
ii. Not Considered in Consolidation	50.60%

1. Names of associates or joint ventures which are yet to commence operations. (NA)
2. Names of associates or joint ventures which have been liquidated or sold during the year. (NA)

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

By the order of the Board of Directors  
FOR HMA AGRO INDUSTRIES LIMITED

Sd/-  
Gulzar Ahmad  
Whole time Director  
DIN: 01312305

Sd/-  
Wajid Ahmed  
Managing Director  
DIN: 01312261

## ANNEXURE-B

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms' length transaction under third proviso thereto.

## 1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

## 2. Details of contracts or arrangements or transactions at Arm's length basis.

(in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> HMA Food Export Private Limited Federal Agro Industries Private Limited Reliable Agro Foods <b>Relative of KMP is Director:</b> Gausia Cold Storage Private Limited
b)	Nature of contracts/arrangements/transaction	Facility Utilization Charges
c)	Duration of the contracts/arrangements/transaction	1 Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business: HMA Food Export Private Limited Nil Federal Agro Industries Private Limited Nil Reliable Agro Foods Nil Gausia Cold Storage Nil
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

## 3. Details of contracts or arrangements or transactions at Arm's length basis.

(in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> HMA Food Export Private Limited Reliable Agro Foods
b)	Nature of contracts/arrangements/transaction	Cooling Charges
c)	Duration of the contracts/arrangements/transaction	1 Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business: HMA Food Export Private Limited ₹390.63 Reliable Agro Foods ₹208.35
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

## 4. Details of contracts or arrangements or transactions at Arm's length basis.

(in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Relative of KMP:</b> Mohammad Ashraf Qureshi
b)	Nature of contracts/arrangements/transaction	Commission on sales
c)	Duration of the contracts/arrangements/transaction	1 year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Mohammad Ashraf Qureshi ₹12.81
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

## 5. Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> Federal Agro Industries Private Limited United Farm Products Private Limited Swastik Bone and Gelatines Private Limited HMA Food Export Private Limited <b>Relative of KMP is Director:</b> HMA Leather Export Private Limited Black Gold Tanners
b)	Nature of contracts/arrangements/transaction	Revenue from operations
c)	Duration of the contracts/arrangements/transaction	1 year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Federal Agro Industries Private Limited ₹1.73 United Farm Products Private Limited ₹5.37 Swastik Bone and Geatines Private Limited ₹0.15 HMA Food Export Private Limited ₹0.05 HMA Leather Export Private Limited ₹42.61 Black Gold Tanners ₹10.57
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

## 6. Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> LaalAgro Food Private Limited Federal Agro Industries Private Limited United Farm Products Private Limited
b)	Nature of contracts/arrangements/transaction	Purchase of finished goods
c)	Duration of the contracts/arrangements/transaction	1 year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Laal Agro Food Private Limited ₹1.51 Federal Agro Industries Private Limited ₹12,193.78 United Farm Products Private Limited ₹1,186.43
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

## 7. Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Relative of KMP:</b> Mohammad Kamil Qureshi Parvez Alam Mohammad Mehmood Qureshi Gulzair Ahmed <b>Director/KMP of the company:</b> Gulzar Ahmad Wajid Ahmed Gulzeb Ahmed Nikhil Sundrani Bhumika Parwani
b)	Nature of contracts/arrangements/transaction	Remuneration
c)	Duration of the contracts/arrangements/transaction	1 year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Mohammad Kamil Qureshi ₹18 Parvez Alam ₹18 Mohammad Mehmood Qureshi ₹18 Gulzair Ahmed ₹5.30 Gulzar Ahmad ₹18 Wajid Ahmed ₹18 Gulzeb Ahmed ₹12.01 Nikhil Sundrani ₹0.42 Bhumika Parwani ₹0.02
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**8. Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> Federal Agro Industries Private Limited <b>Relative of KMP is Director:</b> HMA Leather Export Private Limited Gausia Cold Storage Private Limited
b)	Nature of contracts/arrangements/transaction	Reimbursement of expense incurred on behalf of subsidiary
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Federal Agro Industries Private Limited :-Nil HMA Leather Export Private Limited:- Nil Gausia Cold Storage Private Limited:-Nil
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**9. Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> Laal Agro Food Private Limited JFF Export Private Limited HMA Food Export Private Limited United Farm Products Private Limited Reliable Agro Foods HMA Natural Foods Private Limited
b)	Nature of contracts/arrangements/transaction	Advance given to related parties
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Laal Agro Food Private Limited ₹1.88 JFF Export Private Limited ₹9.22 HMA Food Export Private Limited ₹904.87 United Farm Products Private Limited ₹10.61 Reliable Agro Foods ₹495.65 HMA Natural Foods Private Limited ₹0.03
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**10. \*Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> Laal Agro Food Private Limited United Farm Products Private Limited Realiable Agro Foods HMA Food Export Private Limited
b)	Nature of contracts/arrangements/transaction	Advances received back from related parties
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Laal Agro Food Private Limited ₹3.57 United Farm Products Private Limited ₹1,252.47 Realiable Agro Foods ₹ 488.50 HMA Food Export Private Limited ₹ 914.01
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**11. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> United Farm Products private Limited FNS Agro Foods Limited Indus Farmers Food Co. LLP
b)	Nature of contracts/arrangements/transaction	Loan Given
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. United Farm Products private Limited ₹2,351.88 FNS Agro Foods Limited ₹1.00 Indus Farmers Food Co. LLP ₹14.05
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**12. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> United Farm Products private Limited
b)	Nature of contracts/arrangements/transaction	Loan Received Back
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. United Farm Products private Limited Nil
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**13. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Relative of KMP:</b> Mohammad Ashraf Qureshi <b>Director/KMP of the company:</b> Wajid Ahmed
b)	Nature of contracts/arrangements/transaction	Borrowing taken from related parties
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Mohammad Ashraf Qureshi:- Nil Wajid Ahmed :- Nil
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**14. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Director/KMP of the company:</b> Wajid Ahmed Gulzeb Ahmed <b>Relative of KMP:</b> Mohammad Kamil Qureshi Mohammad Ashraf Qureshi
b)	Nature of contracts/arrangements/transaction	Borrowing repaid to related parties
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Wajid Ahmed:- Nil Mohammad Kamil Qureshi:- Nil Gulzeb Ahmed:- Nil Mohammad Ashraf Qureshi:- Nil
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

## 15. Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Director/KMP of the Company:</b> Gulzar Ahmad Wajid Ahmed <b>Relative of KMP:</b> Zulfiqar Ahmed Qureshi Mohammad Ashraf Qureshi Mohammad Mehmood Qureshi Parvez Alam
b)	Nature of contracts/arrangements/transaction	Dividend Paid
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Gulzar Ahmad ₹15.21 Wajid Ahmed ₹30.39 Zulfiqar Ahmed Qureshi ₹15.21 Mohammad Ashraf Qureshi ₹15.21 Mohammad Mehmood Qureshi ₹15.21 Parvez Alam ₹3.80
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

## 16. Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> United Farm Products private Limited
b)	Nature of contracts/arrangements/transaction	Guarantee given for subsidiary company
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. United Farm Products private Limited:- Nil
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

## 17. Details of contracts or arrangements or transactions at Arm's length basis. (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Company:</b> Federal Agro Industries Private Limited HMA Food Export Private Limited <b>Director/KMP of the Company:</b> Gulzar Ahmad Wajid Ahmed Gulzeb Ahmed <b>Relative of KMP is director:</b> Taj View Builder and promoters Private Limited Taj View Construction Private Limited Agra Better Homes LLP <b>Relative of KMP:</b> Zulfiqar Ahmad Qureshi Mohammad Ashraf Qureshi Mohammad Kamil Qureshi Zakiya Qureshi Parvez Alam Nafees Begaum Mohammad Mehmood Qureshi
b)	Nature of contracts/arrangements/transaction	Guarantee given on behalf of the Company
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Taj View Builder and promoters Private Limited ₹2400.00 Taj View Construction private Limited ₹2400.00 Federal Agro Industries Private Limited ₹2400.00 Agra Better Homes LLP ₹1250.00 HMA Food Export Private Limited ₹2400.00 Gulzar Ahmad ₹3650.00 Zulfiqar Ahmad Qureshi ₹3650.00 Mohammad Ashraf Qureshi ₹2400.00 Wajid Ahmed ₹3650.00 Mohammad Kamil Qureshi ₹2400.00 Gulzeb Ahmed ₹3650.00 Zakiya Qureshi ₹3650.00 Parvez Alam ₹2400.00 Nafees Begaum ₹2400.00 Mohammad Mehmood Qureshi ₹2400.00
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**18. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Companies:</b> United Farm Products private Limited
b)	Nature of contracts/arrangements/transaction	Guarantee Commission
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. United Farm Products private Limited ₹ 0.79
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**19. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Company:</b> Swastik Bone and Gelatines Private Limited <b>Relative of KMP is Director:</b> Black Gold Tanners HMA Leather Export Private Limited
b)	Nature of contracts/arrangements/transaction	Trade Receivables
c)	Duration of the contracts/arrangements/transaction	1 Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Swastik Bone and Gelatines Private Limited ₹23.02 Black Gold Tanners ₹6.47 HMA Leather Export Private Limited ₹24.42
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**20. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Company:</b> United Farm Products Private Limited FNS Agro Foods Limited Reliable Agro Foods Indus Farmers Food Co. LLP
b)	Nature of contracts/arrangements/transaction	Loans Receivables
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. United Farm Products Private Limited ₹1,466.31 FNS Agro Foods Limited ₹30.69 Reliable Agro Foods ₹17.62 Indus Farmers Food Co. LLP ₹18.95
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**21. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary company:</b> Laal Agro Food Private Limited JFF Export Private Limited HMA Natural Foods Private Limited HMA Food Export Private Limited Reliable Agro Foods
b)	Nature of contracts/arrangements/transaction	Advance to Related Parties
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Laal Agro Food Private Limited ₹76.72 JFF Export Private Limited ₹409.53 HMA Natural Foods Private Limited ₹0.55 MA Food Export Private Limited ₹136.07 Reliable Agro Foods ₹9.62
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**22. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Relative of KMP:</b> Gulzar Ahmad
b)	Nature of contracts/arrangements/transaction	Advance to Related Parties
c)	Duration of the contracts/arrangements/transaction	As per agreed terms and conditions
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Gulzar Ahmad ₹0.13

**23. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Subsidiary Company:</b> Federal Agro Industries Private Limited <b>Relative of KMP is Director:</b> Gausia Cold Storage Private Limited
b)	Nature of contracts/arrangements/transaction	Trade payables
c)	Duration of the contracts/arrangements/transaction	1 Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. Gausia Cold Storage Private Limited ₹23.01 Federal Agro Industries Private Limited ₹17.86
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

**24. Details of contracts or arrangements or transactions at Arm's length basis.** (in ₹ millions)

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	<b>Relative of KMP is Director:</b> HMA Leather Export Private Limited
b)	Nature of contracts/arrangements/transaction	Advance from Related Parties
c)	Duration of the contracts/arrangements/transaction	1 Year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	In the ordinary course of business. HMA Leather Export Private Limited ₹Nil
e)	Date of approval by the Board	01.04.2022
f)	Amount paid as advances, if any	-

By the order of the Board of Directors  
**FOR HMA AGRO INDUSTRIES LIMITED**

Sd/-  
Gulzar Ahmad  
Whole time Director and Chairman  
DIN: 01312305  
Date: 29.08.2023  
Place: Agra

**ANNEXURE-C****TO DIRECTORS' REPORT****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

**1. A brief outline on CSR Policy of the Company:**

Corporate Social Responsibility (CSR) Policy of the Company emphasize initiatives in specific areas of social development that would include primary, secondary education, skills development, vocational training, health and hygiene, preventive health care and sanitation, women empowerment, environment and ecological protection, character building by providing training opportunities in sports and cultural activities etc. The CSR Policy is available on the website of the Company at Web-link: <https://www.hmagroup.co/wpcontent/uploads/2023/07/7.-Corporate-Social-Responsibility-Policy.pdf>

**2. The composition of the CSR Committee:**

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Gulzar Ahmad	Chairman	5	5
2	Ms. Bhumika Parwani	Member	5	3
3	Mr. Amit Goyal	Member	5	5

**3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

Web-link: [https://www.hmagroup.co/wp-content/uploads/2023/07/c-Composition-of-various-committees-of-Board-of-Directors\\_compressed.pdf](https://www.hmagroup.co/wp-content/uploads/2023/07/c-Composition-of-various-committees-of-Board-of-Directors_compressed.pdf)  
<https://www.hmagroup.co/wp-content/uploads/2023/07/7.-Corporate-Social-Responsibility-Policy.pdf>

**4. Provide the executive summary along with web-link(s) of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable******5. a) Average Net Profit of the Company as per sub section 5 of Section 135: **₹1026.98 Millions****

b) Two percent of Average Net Profit of the Company as per sub-section 5 of Section 135: **₹20.5 Million**

c) Surplus arising out of the CSR Projects or programs or activities of the previous financial years: **Not Applicable**

d) Amount required to be set off for the financial year, if any: **Nil**

e) Total CSR obligation for the financial year (5b+5c-5d): **₹20.5Million**

**6. a) Amount spent of CSR Projects(Both Ongoing Project and other than Ongoing Project): **₹20.5Million****

b) Amount spent in Administrative Overheads: **Not Applicable**

c) Amount spent on Impact Assessment, If applicable: **Not Applicable**

d) Total amount spent for the Financial Year (6a+6b+6c): **₹20.5million**

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹ Million)	Amount Unspent (in ₹ Million)				
	Total Amount transferred to Unspent CSR Account as per sub-section 6 of Section135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 Of Section135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
20.5 Million	—	—	—	—	—

f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in ₹ Million)
i)	Two percent of average net profit of the Company as per sub-section 5 of Section 135	20.5
ii)	Total amount spent for the Financial Year	20.5
iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	Nil
v)	<b>Amount available for set off in succeeding financial years [(iii)-(iv)]</b>	<b>Nil</b>

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section 6 Of Section 135 (in ₹ Million)	Balance amount in unspent CSR Account under sub-section 6 of Section 135 (in ₹ Million)	Amount Spent in the Financial Year (in ₹ Million)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section 5 of Section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹ Million)	Deficiency, if any
					Amount (in ₹ Million)	Date of Transfer		
1	FY2019-20	—	—	—	—	—	—	—
2	FY2020-21	—	—	—	—	—	—	—
3	FY2021-22	—	—	—	—	—	—	—

8. Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No	Name of the project	Item from the list of activities in Schedule VII to the Act	Particulars of the Projects	Amount spent for the project (In ₹ Million)
1.	SANSTHANAM ABHAY DAANAM	Animal welfare	Contribution towards Bird & Animal Hospital	4
2.	MISSION HOPP	Social Welfare	Contribution toward Social Welfare Trust/Organization	2.5
3.	BIPINCHANDRA SEVA KARYA TRUST	Social Welfare	Contribution towards Social Welfare Trust	2.5
4.	DNIGHT WING S YOUNG FOUNDATION	Education	Contribution towards Trust that support education, Cow Shelter, Free Medicines, along with foods	5
5.	KRISHNAWANTI MEMORIAL EDUCATIONAL SOCIETY	Education	Contribution towards Society that provide educational support	3.5
6.	OMKAR ANDH APANG SAMAJIK SANSTHA	Social Welfare	Contribution towards Social Welfare and handicaps	3.5

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

10. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per sub-section 5 of Section 135: **Not Applicable**

The Responsibility Statement of the CSR Committee of the Board of Directors:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and Policy of the Company.

**Place : Agra**  
**Date: 29.08.2023**

**Sd/-**  
**Gulzeb Ahmed**  
**DIN: 06546660**  
**Chief Financial Officer**

**Sd/-**  
**Gulzar Ahmad**  
**DIN: 01312305**  
**Chairman, CSR Committee**



CS **R.C. SHARMA & ASSOCIATES**  
 Company Secretaries  
 MumbaDhaam  
 Block No. 30, Shop No. 218  
 Opposite VikasBhawan  
 Sanjay Place, Agra-282002  
 Mobile: 9319104242  
 E-mail: rcsharmacs@yahoo.com

**Annexure-D**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

For The Financial Year Ended 31<sup>st</sup> March, 2023

[Pursuant To Section 204(1) Of The Companies Act, 2013 And Rule No.9 Of The Companies (Appointment And Remuneration Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT**  
 For The Financial Year Ended 31<sup>st</sup> March, 2023

To,  
 The Members,  
**HMA Agro Industries Limited**

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HMA Agro Industries Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the **HMA Agro Industries Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March ,2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by **HMA Agro Industries Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March ,2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NA**
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NA**
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NA** and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NA**
- (vi) Other laws applicable to the Company as given below, we have relied on the compliance system prevailing in the Company and on the basis of information provided to us;
  - (a). Industry Related Legislation
    - 1. The Factories Act, 1948
    - 2. Food Safety Standards Act, 2006 (the "FSS Act")
    - 3. Agricultural and Processed Food Products Export Development Authority Act, 1985 ("APEDA Act")
    - 4. Electricity Act, 2003.

- (b). Employee And Labour Related Legislations:
1. The Code on Wages, 2019;
  2. The Code on Social Security, 2020;
  3. The Occupational Safety, Health and Working Conditions Code, 2020; and
  4. The Industrial Relations Code, 2020
  5. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- (c). Tax Related Laws:
1. Income-tax Act, 196
  2. Central Goods and Services Tax Act, 2017
  3. Integrated Goods and Services Tax Act, 2017
  4. The Customs Act, 1962 and the Customs Tariff Act, 1975
  5. Professional Tax
- (d). Intellectual Property Laws
1. The Trademarks Act, 1999
- (e). Other Applicable Laws:
1. The Companies Act, 2013
  2. The Consumer Protection Act, 1986
  3. The Transfer of Property Act, 1882 ("T.P. Act")
  4. The Sale of Good Act, 1930
  5. The Registration Act, 1908
  6. The Indian Contract Act, 1872
  7. The Specific Relief Act, 1963
  8. Competition Act, 2002
  9. Legislations pertaining to Stamp Duty
  - 10 .Legal Metrology Act, 2009
- (f). Environmental Laws
1. The Environment Protection Act, 1986 and Environment (Protection) Rules, 1986
  2. The Water (Prevention and Control of Pollution) Act, 1974 ("the Water Act")
  3. The Air (Prevention and Control of Pollution) Act, 1981 ("the Air Act")
  4. Hazardous Waste Management Wastes (Management and Transboundary Movement) Rules, 2016
- (g). Regulations Regarding Foreign Investment
1. Foreign Exchange Management Act, 1999

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange(s) and National Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Sd/-**  
**R C SHARMA**  
**PROPRIETOR**  
**FCS NO. 5524**  
**CP NO.7957**

**DATE: 05.08.2023**  
**PLACE: AGRA**  
**UDIN: F005524E000748805**

CS **R.C. SHARMA & ASSOCIATES**  
Company Secretaries  
MumbaDhaam  
Block No. 30, Shop No. 218  
Opposite VikasBhawan  
Sanjay Place, Agra-282002  
Mobile: 9319104242  
E-mail: rcsharmacs@yahoo.com

## **SECRETARIAL AUDIT REPORT- HMA AGRO INDUSTRIES LIMITED -2023**

### **Annexure – A**

#### **[Annexure to the Secretarial Audit Report of HMA AGRO INDUSTRIES LIMITED For the Financial Year ended 31st March, 2023]**

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**FOR R C SHARMA & ASSOCIATES  
COMPANY SECRETARIES**

Sd/-  
**R C SHARMA  
PROPRIETOR  
FCS NO. 5524  
CP NO. 7957**

**DATE: 05.08.2023  
PLACE: AGRA  
UDIN: F005524E000748805**

## Annexure-E

**REPORT ON CORPORATE GOVERNANCE**

**(Pursuant to Regulation 34 (3) and Schedule V (C) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015).**

**1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Board of Directors of your Company strongly supports the principles of Corporate Governance. Emphasis is laid on transparency, accountability and integrity in all its operations and dealings with all the stakeholders. Corporate Governance is an ongoing process in your Company and there is a continuous strive to improve upon its practices, in line with the changing demands of the business environment. These governance structures and systems are the foundation that provide adequate empowerment across the organization helping leverage opportunities for rapid sustainable growth of the Company.

We aim to abide by the highest standards of good governance and ethical behaviour across all levels within the organisation with a zero-tolerance policy towards any deviation from these standards.

The Company has ingrained the objectives of good quality Corporate Governance, which will lead to creation of value for all its stakeholders. The Company adopts the best of the Corporate Governance practices in its spirit, where by the highest level of transparency, accountability and equity is maintained at all levels of its operations. The Company policies are drawn keeping in mind the interest of all its stakeholders.

At HMA Agro Industries Limited, it is not a mere compliance of laws, rules and regulations, but a commitment to values, best management practices, adherence to ethical principles in all its dealings, enhance stakeholder value and discharge its social responsibility while simultaneously achieve the objectives of the Company.

Your Company's policy with regard to Corporate Governance is an integral part of the Management and its pursuits of excellence, growth, and value creation, it continuously endeavours to leverage resources to translate opportunities into reality. Your Company believes that all its actions and operations must serve the underlying goal of enhancing overall stakeholders' value on a sustained basis.

The Company believes that sound corporate governance is critical for enhancing and retaining stakeholder trust and we always seek to ensure that the Company's performance goals are met accordingly. Based on the principles of good Corporate Governance the company has always strived towards building trust and confidence with its shareholders, employees, customers, suppliers and other stakeholders.

Your Company's policy with regard to Corporate Governance is an integral part of the Management and its pursuits of excellence, growth, and value creation, it continuously endeavors to leverage resources to translate opportunities into reality. Your Company believes that all its actions and operations must serve the underlying goal of enhancing overall stakeholders' value on a sustained basis.

**2. BOARD OF DIRECTORS**

The Board of HMA Agro Industries Limited is diverse comprising of highly experienced individuals and persons with eminent expertise who are entrusted with the responsibility of the Management, directions and performance of the Company. Raymond recognizes that an independent, dynamic and well-informed Board is essential to ensure the highest standards of Corporate Governance. The Board's primary role is fiduciary. The Board also requests special invitees to attend the meetings, as appropriate.

As on March 31, 2023, the Board of the Company comprises six members out of which three are Non-Executive Independent Directors (including one Independent Women Directors), three executive directors, comprising of one Managing Director and one CFO & two Whole-time Director. The tenure of Independent Directors is five consecutive years from the date of their appointment.

The Board of Directors along with its Committees provide effective leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosures.

The Board provides leadership, strategic guidance, objective and an independent view to the Company's management while discharging its responsibilities and ensures that the management adheres to ethics, transparency and disclosures which ultimately serves the long-term goals of all its stakeholders along with achieving the Company's objectives and sustainable profitable growth. The Board ensures that the management is accountable for attaining the long-term goals of the Company and also ensures compliance with the applicable Act.

## 2.1 Brief Profile Directors and expertise

### 1. GULZAR AHMAD

#### (Chairman and Whole-Time Director)

Gulzar Ahmad, aged 56 years is one of the founding Promoters and is currently designated as Chairman and Whole Time Director of our Company. He was appointed on the Board of our Company upon incorporation i.e., W.e.f April 09, 2008. He is undergraduate. He has vast and diversified experience in field of trading of livestock and meat export business for over 3 decades. Under his stewardship, the company has grown from a small organisation to operating multiple processing facilities and exporting to over 40 countries. He is currently responsible for overall supervision of the management and affairs of the Company including the setting up of new plants and developing industry networks for further business development.

### 2. WAJID AHMED

#### (Managing Director)

Wajid Ahmed, aged 39 years is the Managing Director of our Company. He was appointed on the Board of our Company w.e.f April 01, 2013. He has completed his Bachelor of Commerce from Dr. Bhim Rao Ambedkar University, Agra. He has more than 16 years of experience in the meat industry. He is currently responsible for overall capital expenditure items such as machinery, equipment, packaging machines etc and ensuring smooth functioning of the processing units.

### 3. GULZEB AHMED

#### (CFO and Whole-Time Director)

Gulzeb Ahmed, aged 34 years is the Whole Time Director of our Company. He was appointed on the Board of our Company w.e.f June 03, 2021. He has completed his Certificate in Planning and Entrepreneurship Course in Personnel Management and Marketing Management from The Indian Institute of Planning and Management and Bachelor of Business Administration from Dr. Bhim Rao Ambedkar University, Agra. He has over 8 years of experience in the business and is also designated as CFO in our Company w.e.f. July 08, 2021.

### 4. AMIT GOYAL

#### (Independent Director)

Amit Goyal, aged 44 years is an Independent Director of our Company. He was appointed on the Board of our Company w.e.f. June 03, 2021. He has completed his Bachelor of Legislative Law from Dr. Bhim Rao Ambedkar University, Agra. He is a practicing advocate by profession and is registered with the Bar Council of Uttar Pradesh since 2003. He has over 18 years of experience in handling Tax Litigations, civil litigations, arbitrations, appearances at tribunals, courts, commissions etc.

### 5. BHUMIKA PARWANI

#### (Independent Director)

Bhumika Parwani, aged 30 years is an Independent Director of our Company. She was appointed on the Board of our Company w.e.f. September 26, 2022. She has completed her bachelor's in Commerce degree from Dr. Bhimrao Ambedkar University, Agra in the year 2013 and is also a member of the Institute of Chartered Accountants of India.

She was previously associated with PSA & Company, Anurag Sinha & Associates and V Thukral & Associates and is currently associated with TCI Foundation. She has an experience of around three years in the field of Financial Reporting and Accounting, Risk Advisory, Statutory Audits and Taxation.

### 6. GAURAV R. LUTHRA

#### (Independent Director)

Gaurav Luthra, aged 40 years is an Independent Director of our Company. He was appointed on the Board of our Company w.e.f. June 03, 2021. He is a Qualified Chartered Accountant and is a member of the Institute of Chartered Accountants of India. He has more than a decade of experience in the field of Internal Auditing, Internal Financial

Controls, Taxation, Finance & Accounting, Tax Audit and Statutory Auditing.

#### Key functions of the Board

The Board performs various statutory and other functions in connection with managing the affairs of the Company. The key functions performed by the Board of the Company are:

- Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring corporate performance and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning.
- Aligning remuneration of the Key Managerial Personnel and the Board with long term interests of the Company and its shareholders.
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

- g. Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

#### BOARD COMPOSITION, CATEGORY OF DIRECTORS, MEETINGS AND ATTENDANCE RECORD OF EACH DIRECTOR:

The Board comprises of optimum combination of Independent and Non-Independent Directors, including Woman Director in line with the provisions of the Companies Act, 2013 (the "Act") and the Listing Regulations. The Board of the Company has a good and diverse mix of Executive and Non-Executive Directors with half of the Board Members comprising of Independent Directors. The composition of the Board represents an optimal combination of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

As on 31st March, 2023 the Board of Directors comprises of 6 directors, 3 of which are non-executive Independent Directors (Including One Independent Women Director) and other 3 directors are Executive Promoter Directors. Subsequent to the Year end, there was no change in the composition of Board of the Company. The number of Independent Directors is 4 which is in compliance with the stipulated number. All Independent Directors are person so eminent and bring a wide range of expertise and experience to the Board thereby ensuring the best interest of stakeholders and the Company. All Independent Directors meet with the criteria of independence as prescribed both under sub-section(6) of Section 149 of the Act and under Regulation(1)(b) of the SEBI(LODR) Regulations, 2015. None of the Directors on the Board are Independent Directors of more than seven listed companies and none of the Whole-time Directors are Independent Directors of any listed company. The Board had one Woman Director during the year 2022-23. None of the Directors on the Board is a member of more than 10 committees and Chairperson of more than 5 committees (as specified in Regulation 26(1) of SEBI (LODR Regulations) across all the public Companies in which he/she is a Director. The necessary disclosures regarding committee positions in other public companies, have been made by the Directors.

The details of composition of the Board as at 31.03.2023, the attendance record of the Directors at the Board Meetings held during the financial year 2022-23, as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Public Companies and number of Board Meetings and dates on which held are given here below:

**Note: As on 31<sup>st</sup> March, 2023 our company was unlisted company. Our company got listed on 04<sup>th</sup> Day of July, 2023. As on date of this report Board of Directors of the company is as follows:**

Composition of Board of Directors								
Title (Mr. / Ms)	Name of the Director	PAN \$ & DIN	Category (Chairperson /Executive/Non Executive/in dependent/Non ominee) &	Date of Appointment in the current term / cessation	Tenure *	No of Directors hip in listed entities including this listed entity	Number of membership s in Audit/ Stakeholder Committee(s ) including this listed entity	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity
Mr.	Gulzar Ahmad	PAN-ADFP7361N DIN- 01312305	Whole Time Director	June 03, 2021	Five years till June 02, 2026	1	1	0
Mr.	Wajid Ahmed	PAN-AEMPA6979C DIN- 01312261	Managing Director	June 03, 2021	Five years till June 02, 2026 (Liable to retire by rotation)	1	2	0
Mr.	Gulzeb Ahmed	PAN-AIPA0593N DIN- 06546660	Whole Time Director	June 03, 2021	Five years till June 02, 2026 (Liable to retire by rotation)	1	0	0
Mr.	Amit Goyal	PAN-AARPG3150C DIN- 05146923	Independent Director	June 03, 2021	Five years till June 02, 2026	1	0	1
Mr.	Gaurav Luthra	PAN-ABTPL1384L DIN- 08023492	Independent Director	June 03, 2021	Five years till June 02, 2026	1	0	1
Mr.	Bhumika Parwani	PAN-BQXPP6066R DIN- 09732792	Independent Director	September 26, 2022	Five years till September 25, 2026	1	1	1

\* This relates to Committee referred under Regulation 18, 19 & 20 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, viz. Audit Committee, Nomination & Remuneration Committee and Stakeholder Relationship Committee.

**Disclosure of Relationships between Directors inter-se:**

No other Directors are related to each other or to any other employee of the Company except the following:

Mr. Gulzar Ahmad and Mr. Wajid Ahmed are Brothers.

Mr. Gulzeb Ahmed is Son of Mr. Gulzar Ahmad.

**APPOINTMENT AND TENURE:**

The Directors of the Company are appointed by the shareholders at the General Meetings. Two third of the Directors (other than independent Directors) are subject to retirement by rotation and at every Annual General Meeting, one third of such Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Section 152 of the Companies Act, 2013 (hereinafter also referred to as "Act") and that of the Articles of Association of the Company. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

**BOARD MEMBERSHIP CRITERIA:**

Meeting the needs of the Company and enhancing the competencies of the Board are the basis for the Nomination and Remuneration Committee, to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Nomination and Remuneration Committee:

- i. assess the appointee against a range of criteria including qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position;
- ii. assess the appointee on the basis of merit, related skills and competencies. No discrimination is made on the basis of religion, caste, creed or gender.

**A. Meetings of the Board**

The Company places before the Board all the relevant and necessary information at their meetings for the information of the Board. During the year under review, 15 (Fifteen) Board meeting were held at below mentioned dates and the gap between the two meetings did not exceed one hundred and twenty days.

Sr. No	Date of Board Meeting
1.	12.04.2022
2.	09.05.2022
3.	10.06.2022
4.	18.07.2022
5.	13.08.2022
6.	26.08.2022
7.	15.09.2022
8.	30.09.2022
9.	13.10.2022
10.	18.11.2022
11.	12.12.2022
12.	09.01.2023
13.	04.02.2023
14.	24.02.2023
15.	10.03.2023

**Attendance at the Board meetings during the year and attendance at the last Annual General Meeting (AGM):**

15 Board Meetings were held during the financial year April 01, 2022 to March 31, 2023. The Maximum gap between any two Board Meetings was within stipulated time.

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the Listing Regulations and provisions of the Act.

Concerned executives of the Company communicate to the Company Secretary matters requiring approval of the Board, well in advance, so that these can be included in the agenda for the scheduled Board/ Committee meetings.

Agenda papers are sent electronically to the Directors, well in advance, before the meetings. Draft minutes of the Board and Committee meetings are circulated to the Directors of the Company for their comments and thereafter, noted by the Board/Committees at the next meeting.

The Company secretary, in consultation with the chairman & Managing Director, drafts the agenda of the meetings, which is circulated well in advance to the Board members, along with comprehensive background information on the items in the agenda to enable the Board to arrive at appropriate decisions. The information as required under Part A of Schedule II to the Listing Regulations is made available to the Board.

**Composition of the Board of Directors as on March 31, 2023 and attendance at the Board meetings held during the financial year ended March 31, 2023 and at the last AGM are given below:**

Sr. No	Name of the Director	Category of Directorship	Attendance Details			Attendance at Last AGM
			Board Meetings Held	Eligible to Attend	Attended	
1.	Gulzar Ahmad (DIN: 01312305)	Executive Director	15	15	15	Present
2.	Wajid Ahmed (DIN: 01312261)	Executive Director	15	15	15	Present
3.	Gulzeb Ahmed (DIN: 06546660)	Executive Director	15	15	15	Present
4.	Amit Goyal (DIN:05146923)	Non-Executive Independent Director	15	15	14	Present
5.	Gaurav R. Luthra (DIN:08023492)	Non-Executive Independent Director	15	15	15	Present
6.	Bhumika Parwani (DIN: 09732792)	Non-Executive Independent Director	15	8	0	-

The previous AGM of the Company was held on Tuesday, 20th September, 2022 at 18A/5/3 Tajview Crossing Fatehabad Road Agra Uttar Pradesh-282001, India as per the circulars issued by MCA from time to time.

**Directors' interest in the Company & other disclosures:**

- None of the Non-Executive Directors of the Company have any pecuniary relationships or transactions with the Company.
- The Non-Executive Directors of the Company are highly respected and accomplished professionals in the corporate and academic world.
- There is no compensation package for Non-Executive Directors.
- There is no Nominee Director on the board as on 31.03.2023.
- All the information required to be furnished to the Board was made available to them along with detailed agenda notes.
- The Board of Directors do hereby confirm that, the Independent Directors fulfill the conditions specified in these regulations and are Independent of the Management.

**BOARD MEETINGS, BOARD COMMITTEE MEETINGS AND PROCEDURES**

**A. INSTITUTIONALISED DECISION-MAKING PROCESS**

The Board of Directors oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served. The Managing Director is assisted by the Senior Managerial Personnel in overseeing the functional matters of the Company.

The Board has constituted Committees, namely, Audit Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Risk Management Committee.

**B. SCHEDULING AND SELECTION OF AGENDA ITEMS FOR BOARD MEETINGS**

A minimum of four Board Meetings are held every year. Dates for the Board Meetings in the ensuing quarter are decided well in advance and communicated to the Directors. The Agenda along with the explanatory notes are sent in advance to the Directors. Additional meetings of the Board are held when deemed necessary to address the specific needs of the Company. The meetings are held at the Company's Registered Office at 18A/5/3, Taj view Crossing Fatehabad Road, Agra Uttar Pradesh-282001.

All divisions/departments of the Company are advised to schedule their work plans well in advance, with regard to matters requiring discussion/approval/ decision at the Board/ Committee meetings. All such matters are included in the Agenda for the Board/Committee Meetings. In addition to items which are mandated to be placed before the Board for its noting and/or approval, information is provided on various significant issues.

The Board is also provided with the Audit Committee observations on the Internal Audit findings and matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

**C. DISTRIBUTION OF BOARD AGENDA MATERIAL**

Agenda and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are considered.

#### **D. RECORDING MINUTES OF PROCEEDINGS AT BOARD AND COMMITTEE MEETINGS**

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. Draft minutes are circulated to all the members of the Board/Committee for their comments. The Final minutes are entered in the Minutes Book within 30 days from conclusion of the meeting and are signed by the Chairman of the meeting/Chairman of the next meeting. The copy of the signed minutes is circulated to all members after those are signed.

#### **E. POST-MEETING FOLLOW-UP MECHANISM**

The Company has an effective post meeting follow-up, review and reporting process mechanism for the decisions taken by the Board/Committees. The important decisions taken at the Board/Committee meetings are communicated to the concerned functional Heads. Action Taken Report on decisions of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee for noting by the Board/Committee members.

#### **F. COMPLIANCE**

While preparing the Agenda, Notes on Agenda, Minutes etc. of the meeting(s), adequate care is taken to ensure adherence to all applicable laws and regulations including the Companies Act, 2013, read with the Rules made thereunder.

#### **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

The terms and conditions of appointment of Independent Directors were set out in the appointment letter issued to the Director at the time of his/her appointment/re- appointment as an Independent Non-Executive Director of the Company. The terms and conditions as mentioned in the appointment letter is disclosed on the company's website [www.hmagroup.co](http://www.hmagroup.co)

##### **Independent Director:**

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as Independent Director in more than seven listed companies. None of the Independent Directors of the Company have resigned during Financial Year 2022-23. Thus, disclosure of detailed reasons for their resignation along with their confirmation that there are no material reasons other than those provided by them is not applicable.

All Independent Directors have provided their annual declarations stating that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. During the Year under review, Independent Directors meet once on 30.03.2023 without the presence of Non-Independent Directors. All the Independent directors were present at the meeting.

The Company has devised the Policy on Familiarization Programme for Independent Director and the same is available on the website of the Company i.e [www.hmagrup.co](http://www.hmagrup.co) The web-link for the same is: <https://www.hmagroup.co/wp-content/uploads/2023/07/6.-Terms-and-condition-for-appointment-of-Independent-Directors.pdf>

#### **MEETINGS OF INDEPENDENT DIRECTORS**

The Independent Directors of the Company meet once a year without the presence of Executive Directors or management personnel. This meeting is conducted in an informal and flexible manner to enable the Independent Directors to discuss matters pertaining to the affairs of the Company and put forth their views to the Managing Director.

During the year under review, the Independent **Directors met on 30March, 2023**, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and time lines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the Meeting.

#### **SELECTION OF INDEPENDENT DIRECTORS**

Considering the requirement of skill sets on Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter-alia, considers qualifications, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with company's Policy for selection of Directors and determining Director's Independence. The Board Considers the Committee's recommendation, and takes appropriate decisions thereupon.

#### **FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Company believes that the Board be continuously empowered with the knowledge of the latest developments in the Company's business and the external environment affecting the industry as a whole.

The Independent Directors are familiarised about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, legal updates, etc. In this regard, the Company follows a structured familiarisation program for the Independent Directors. The details related thereto are displayed on the Company's website [www.hmagroup.co](http://www.hmagroup.co). The web-link for the same is: <https://www.hmagroup.co/wp-content/uploads/2023/08/Policy-on-familiarisation-of-independent-directors.pdf>

To this end, the Directors were given presentations on the business environment, as well as all business areas of the Company including business strategy, risks opportunities. Updates on performance/developments giving highlights of performance of the Company during each month including the developments/events having impact on the business of the Company are also informed to all the Directors. The details of familiarization programmes imparted to Independent Directors, are disclosed on the company's website [www.hmagroup.co](http://www.hmagroup.co)

#### PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10), 19(4) and Part D of Schedule II of the SEBI (LODR Regulations) 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Managing Director and the Non-Independent Directors was carried out by the Independent Directors.

The purpose of the Board evaluation is to achieve consistent improvement in the governance of the Company at the Board level with the participation of all concerned in an environment of harmony. The Board acknowledges its intention to establish and follow "best practices" in Board governance in order to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

A separate exercise was carried out to evaluate the performance of individual Directors including the Managing Director, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The details of Familiarization programmes imparted to Independent Directors of the Company, are available on the Website of the Company viz. [www.hmagroup.co](http://www.hmagroup.co)

#### Confirmation of Independence

In the opinion of the Board, Independent Directors fulfil the criteria of independence specified in the Listing Regulations and are independent of the Management of the Company.

#### Skills, Expertise and Competencies of the Board

The Board of Directors have, identified the following core skills/expertise/competencies of Directors as required in the context of business of the Company for its effective functioning:

- a) Leadership Experience in managing companies and associations including general management;
- b) Financial Skills: Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc;
- c) Experience in human resource and communication;
- d) Relevant experience and knowledge in the matters of safety and corporate social responsibility including environment, sustainability, community and values;
- e) Sales and Marketing: Experience in sales and marketing management based on understanding of the industry;
- f) General Management/Governance: Strategic thinking, decision making and protect interest of all stakeholders;
- g) Expertise in the field of strategies and knowledge relating to meat industry.

On the basis of the above-mentioned skill matrix, the Board has identified the following skills/competencies/expertise of the Directors of the company: Core Skills / Expertise / Competencies available with the Board:

Directors	Leadership	Finance	Human Resources and communication	Safety and Corporate Social Responsibility	Sales & Marketing	General management/ Governance	Expertise in science and knowledge
Gulzar Ahmad	✓	✓	✓	✓	✓	✓	✓
Wajid Ahmed	✓	✓	✓	✓	✓	✓	✓
Gulzeb Ahmed	✓	✓	✓	✓	✓	✓	✓
Amit Goyal	✓	✓	✓	✓	-	✓	-
Gaurav R. Luthra	✓	✓	-	✓	-	✓	-
Bhumika Parwani	✓	✓	-	✓	-	✓	-

#### COMMITTEES OF BOARD

We are in compliance with the requirements of applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and committees thereof, and formulation and adoption of policies.

Our Company stands committed to good Corporate Governance practices based on the principles such as accountability, transparency in dealing with our stakeholders, emphasis on communication and transparent report. We have complied with the requirements of the applicable regulations, including Regulations, in respect of Corporate Governance including constitution of the Board and its Committees. The Corporate Governance framework is based on an effective Independent Board, the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law. The following committees have been constituted for compliance with Corporate Governance requirements:

- A. Audit Committee;
- B. Stakeholders Relationship Committee;
- C. Nomination and Remuneration Committee;
- D. Risk Management Committee;
- E. Corporate Social responsibility Committee

**A. Audit Committee:**

Our Board has re-constituted the Audit Committee in accordance with the Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations by a resolution dated October 13, 2022.

During the year under review, 8 (Eight) Audit Committee meetings were held at following dates and the gap between the two meetings did not exceed one hundred and twenty days. The requisite quorum was present at all the Meetings.

Eight Meetings of the Audit Committee were held during the financial year 2022-23. The Committee meetings were held on 12.04.2022, 09.05.2022, 11.07.2022, 26.08.2022, 13.10.2022, 07.01.2023, 01.02.2023 and 01.03.2023.

Attendance details of the members are given in the table below:

Name of the Directors	Nature of Directorship	No. of Meetings Held	Eligible to Attend	No. of Meetings Attended
<b>Gaurav R. Luthra</b>	Independent Director	8	8	8
<b>Bhumika Parwani</b>	Member-Independent Director	8	4	3
<b>Wajid Ahmed</b>	Member-Managing Director	8	8	8

The Company Secretary & Compliance Officer of the Company will act as the Secretary of the Committee.

In Conformity with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013, as applicable, the strength of the Board as also of the Audit Committee is adequate. The Audit Committee of the company consists of Two Independent Directors and Managing Director of the Company. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its charter that defines its authority, responsibility, and reporting function. The Audit Committee also advises the Management on the areas where internal control system can be improved. The Company Secretary of the Company acts as the Secretary to the Audit committee.

In addition to members of Audit Committee, Managing Director, Chief Financial Officer, Company Secretary and the representatives of the Statutory Auditors and Internal Auditors attend the Audit Committee Meetings.

**Role and Term of Reference of Audit Committee:**

The scope of Audit Committee shall include but shall not be restricted to the following:

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations. The terms of reference of the Committee, inter alia, include the following:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  1. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013
  2. Changes, if any, in accounting policies and practices and reasons for the same.
  3. Major accounting entries involving estimates based on the exercise of judgment by management.
  4. Significant adjustments made in the financial statements arising out of audit findings.
  5. Compliance with listing and other legal requirements relating to financial statements.
  6. Disclosure of any related party transactions.
  7. Qualifications in the draft audit report.
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/notice

and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii): If the Issuer has set up an audit committee pursuant to provision of the Companies Act, the said audit committee shall have such additional functions / features as is contained in this clause.

**The Audit Committee enjoys following powers:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise if it considers necessary.
5. The audit committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the Issuer. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee.

**The Audit Committee shall mandatorily review the following information:**

- a. Management discussion and analysis of financial condition and results of operations;
- b. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations. (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(5) of SEBI Listing Regulations.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders.

The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

**B. Stakeholder Relationship Committee:**

The Stakeholder's Relationship Committee of our Board was constituted by our Board of Directors pursuant to section 178 (5) of the Companies Act, 2013, Regulation 20 of the SEBI Listing Regulations. During the year under review, no committee meeting was held as the company did not have shareholders more than 1000 and was unlisted public company at that time so the requirement of holding that committee meeting was not applicable on the company, though the company had constituted the committee w.e.f 13.10.2022.

The Stakeholder's Relationship Committee comprises of:

**a) Composition, name of Members, chairman and their attendance at meetings during the year:**

Name of the Directors	Nature of Directorship	No. of Meetings Held	Eligible to attend	No. of Meetings Attended
<b>Bhumika Parwani</b>	Chairman-Independent Director	Nil	Nil	Nil
<b>Wajid Ahmed</b>	Member-Managing Director	Nil	Nil	Nil
<b>Gulzar Ahmad</b>	Member-Whole Time Director	Nil	Nil	Nil

The Company Secretary & Compliance officer of the Company will act as the Secretary of the Committee.

**b) Role and Term of Reference of stakeholders Relationship Committee:**

The Board approved 'Terms of Reference' of the Stakeholders Relationship Committee in compliance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the Listing Regulations. The Committee looks into the matters of Shareholders/Investors grievances along with other operational matters listed below:

- Allotment and listing of our shares in future.
- Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates;
- Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- Reference to statutory and regulatory authorities regarding investor grievances;
- To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- To do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.
- Review the adherence to the service standards adopted in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

**c) Name and Designation of Compliance Officer**

Mr. Nikhil Sundrani, Company Secretary is the Compliance Officer of the Company.

**d) Redressal of Complaints**

Shareholders may send their complaints for redressal to the email id [cs@hmaagro.com](mailto:cs@hmaagro.com)

**e) No. of Complaints received, resolved/pending/not resolved to the satisfaction of the shareholder during the financial year**

During the financial year under review the company has not received any complaints from the shareholders.

**C. Nomination & Remuneration Committee:**

The Nomination, Remuneration and Compensation ('NRC') Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations.

The Nomination and Remuneration Committee of our Board was re-constituted by our Board of Directors pursuant to section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations vide resolution dated October 13, 2022. During the year under review, 5 (Five) meetings of Nomination and remuneration Committee (NRC) were held at below mentioned dates:

Five Meetings of the Nomination and Remuneration Committee were held during the financial year 2022-23. The Committee meetings were held on 12.04.2022, 11.07.2022, 15.09.2022, 30.09.2022 and 07.01.2023.

The Nomination and Remuneration Committee comprises:

Sr.No.	Committee Members	Designation	No. of meetings held	Eligible to Attend	No. of Meetings Attended
1.	Amit Goyal	Chairman-Non – Executive Independent Director	5	5	5
2.	Bhumika Parwani	Member-Non – Executive Independent Director	5	1	0
3.	Gaurav Rajendra Luthra	Member-Non – Executive Independent Director	5	5	1
4	Swapnala Gupta*	Member-Non – Executive Independent Director	5	4	4

\*Swapnala Gupta has been resigned with effect from 30th September, 2022.

The Company Secretary & Compliance officer of the Company will act as the Secretary of the Committee.

**Role and Term of Reference of Nomination and Remuneration Committee:**

The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
4. Devising a policy on Board diversity, if any;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal and shall carry out evaluation of every director's performance.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.
8. To ensure the policy includes the following guiding principles:
  - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully,
  - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
  - c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short-and long-term performance objectives appropriate to the working of the Company and its goals.

The quorum of the meeting shall be either two members or one third of the members of the committee whichever is greater.

The composition of the Board Committees can be viewed from the web link : [https://www.hmagroup.co/wp-content/uploads/2023/07/c-Composition-of-various-committees-of-Board-of-Directors\\_compressed.pdf](https://www.hmagroup.co/wp-content/uploads/2023/07/c-Composition-of-various-committees-of-Board-of-Directors_compressed.pdf)

**Board and Director Evaluation and criteria for Performance evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board. The performance evaluation of the Chairman and Managing Director and the Non-Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational program, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

The performance evaluation of the independent director was evaluated by the board after seeking inputs from all the independent directors on the basis of the criteria such as participation in decision making and safeguarding of confidential information, contribution in raising concerns to the Board, rendering unbiased opinion; participation in initiating new ideas and planning of the company etc.

**Remuneration Policy of the company and Details of Remuneration**

The company's philosophy for remuneration of Directors, Key managerial personnel and senior management is based on the commitment of fostering a culture leadership with trust.

The company has adopted a policy for remuneration to Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating policy are as under:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully.
- ii. Relationship of remuneration to the performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the company and its goals.

The Company has adopted and implemented the Nomination and Remuneration Policy devised in accordance with Section 178(3) and (4) of the Companies Act, 2013. The detailed Nomination & Remuneration Policy is uploaded on the website of the Company. The web link is: <https://www.hmagroup.co/wp-content/uploads/2023/07/8.-Nomination-and-Remuneration-Policy.pdf>

The remuneration payable to Directors, Key Managerial Personnel and Senior Management Person will involve a balance between fixed and incentive pay reflecting short term and long-term performance objectives appropriate to the working of the Company and support in the achievement of Corporate Goals.

**The key principles governing the Company's Remuneration Policy are as follows:**

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

**Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

**Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

**Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

**Remuneration to Non- Executive/Independent Director:**

**Remuneration/Commission:**

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

**Sitting Fees:**

The Non- Executive/Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

**Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

No remuneration is paid to any Non-Executive Directors during the financial year April 01, 2022 to March 31,2023 except sitting fee for attending Board meetings and committee meetings.

**Details of the Executive Directors Remuneration for the financial year ended March 31, 2023**

(in ₹ Million)

REMUNERATION		DIRECTORS			Non-Executive Directors
		Mr. Gulzar Ahmad	Mr. Wajid Ahmed	Mr. Gulzeb Ahmed	
(a)	Salary & Allowances (fixed)	18.00	18.00	10.00	-
(b)	Benefits & Perquisites	-	-	-	-
(c)	Bonus/Commission Additional Salary	-	-	-	-
(d)	Pension, Contribution to Provident Fund & Super annuation Fund	-	-	-	-
	<b>Total</b>	<b>18.00</b>	<b>18.00</b>	<b>10.00</b>	-
(e)	Stock Option Details (if any)	The Company has not offered any Stock Options to its employees.			
(f)	Notice period	The Agreement may be terminated by either party giving the other party six months' notice. With the liberty to the board of Directors to alter and vary the same.			-

**Note: The agreement with each Executive Director is for a period of 5 years.**

**Details of the Sitting Fees paid to Non-Executive Directors for the financial year ended March 31, 2023**

(In ₹ Million)

Name of the Non-Executive Director	Amount of Sitting Fees Paid
Amit Goyal	0.18
Gaurav R. Luthra	0.18
Bhumika Parwani*	0.06
Swapnla Gupta**	0.06

\* Bhumika Parwani was appointed as Independent Director w.e.f 26<sup>th</sup> Say of September, 2022

\*\* Swapnla Gupta tendered her resignation w.e.f 30<sup>th</sup> Day of September, 2022.

**D. RISK MANAGEMENT COMMITTEE**

The Risk Management Committee was re-constituted by our Board of Directors in accordance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee comprises of:

Name of the Directors	Nature of Directorship	Designation in Committee
Gulzar Ahmad	Chairman and Whole Time Director	Chairman
Wajid Ahmed	Managing Director	Member
Bhumika Parwani	Independent Director	Member

The scope and function of the Risk Management Committee is its terms of reference are as follows:

- a) To formulate a detailed Risk Management Policy covering risk across functions and plan integration through training and awareness programmes. The Policy shall include:
  - A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
  - Measures for risk mitigation including systems and processes for internal control of identified risks;
  - Business continuity plan.
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To review and recommend potential risk involved in any new business plans and processes;
- d) To review the Company's risk-reward performance to align with the Company's overall policy objectives;
- e) To implement, monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- f) To periodically review and assess the Risk Management Policy at least once in two years, including by considering the changing industry dynamics and evolving complexity and recommend for any amendment or modification as necessary;
- g) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- h) To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- i) Laying down risk assessment and minimization procedures and the procedures to inform Board of the same;
- j) To review the appointment, removal and terms of remuneration of the chief risk officer (if any);
- k) Framing, implementing, reviewing and monitoring the risk management plan for the Company and such the functions, including cyber security;
- l) Advise the Board with regard to risk management decisions in relation to strategic and operational matters such as corporate strategy; and
- m) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee.

**E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee was re-constituted by our Board in terms of Section 135 of the Companies Act. During the year under review, 5 (Five) meetings of Corporate Social Responsibility Committee (CSR) were held at below mentioned dates:

Five Meetings of the Corporate Social Responsibility Committee were held during the financial year 2022-23. The Committee meetings were held on 10.06.2022, 13.10.2022, 01.12.2022, 12.01.2023 and 01.02.2023.

The Corporate Social Responsibility Committee comprises: The Corporate Social Responsibility Committee comprises of following Directors:

Name of the Directors	Nature of Directorship	No. of Meetings Held	Eligible To Attend	Meetings Attended
Gulzar Ahmad	Chairman and Whole Time Director	5	5	5
Bhumika Parwani	Member-Independent Director	5	4	3
Amit Goyal	Member-Independent Director	5	5	5

The terms of reference of the Corporate Social Responsibility Committee include the following:

- Formulation of a corporate social responsibility policy to the Board, indicating the activities to be undertaken by the Company in areas or subject specified in the Companies Act, 2013. The activities should be within the list of permitted activities specified in the Companies Act, 2013 and the rules thereunder;
- Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the Company in the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation during such immediately preceding financial years;
- Instituting a transparent monitoring mechanism for implementation of the corporate social responsibility projects or programs or activities undertaken by the Company;
- Monitoring the corporate social responsibility policy from time to time and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required; and
- Performing such other duties and functions as the Board may require the Corporate Social Responsibility Committee to undertake to promote the corporate social responsibility activities of the Company or as may be required under applicable laws.

### **GENERAL BODY MEETINGS**

#### **i. Annual General Meeting:**

AGM	Financial Year	Day, Date & Time of Meeting	Venue	Detail of Special Resolution Passed
14 <sup>th</sup>	2021-2022	Tuesday, 20.09.2022 at 3:00 P.M	18A/5/3, Tajview Crossing Fatehabad Road Agra U.P-282001	No Special resolution
13 <sup>th</sup>	2020-2021	Tuesday, 30.11.2021 at 01:30 P.M	18A/5/3, Tajview Crossing Fatehabad Road Agra U.P-282001	No Special resolution
12 <sup>th</sup>	2019-2020	Thursday, 31.12.2020 at 11:00 A.M	2/220, 2 <sup>nd</sup> Floor Glory Plaza Sur Sadan, M.G Road Agra Uttar Pradesh-282002	No Special resolution

- Extra-Ordinary general Meeting/ Postal Ballot Resolution:** No Extra-Ordinary General Meeting was held in the period under review.

#### **iii. SPECIAL RESOLUTIONS PASSED THROUGH POSTAL BALLOT DURING 2022-23**

No special resolution was passed through Postal Ballot during 2022-23. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

#### **Disclosure Regarding appointment/re-appointment of Director in the ensuing AGM:**

As required under 36(3) of the Listing Regulations and Secretarial Standard-2, particulars of the Directors seeking appointment/re-appointment are provided in the notice convening this meeting.

### **CODES AND POLICIES:**

The Company has established a robust framework of Codes and Policies that facilitates and reflects adoption of good governance practices. The salient Codes and Policies adopted by the Company are mentioned below:

#### **i. Code of Conduct for Directors and Senior Management**

The Board of Directors has laid down a 'Code of Conduct' for all the Board members and the Senior Management of the Company and this code is posted on the website of the company. During the year, Board of Directors and Senior Management Personnel has complied with general duties, rules, acts and regulations and Annual declaration is obtained from every person covered by the code. In this regard certificate from Managing Director as required under Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been received by the Board and the same is attached as **Annexure-I. The Code of Conduct is posted on the Company's website and can be accessed at <https://www.hmagroup.co>**

#### **ii. Code of Conduct for Prevention of Insider Trading**

Code for prevention of Insider-Trading practices:

As per the SEBI (Prohibition of Insider Trading) Regulations 2015, the Compliance Officer is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price-sensitive information, preclearance of trade,

monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board.

The Company has in place Board approved Code of Conduct for Prevention of Insider Trading as well as a Code of Practices and Procedures for Fair Disclosure in accordance with aforesaid Regulations. All the Directors on the Board, Senior Management at all locations and other employees who could be privy to unpublished price-sensitive information of the Company are governed by this Code.

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by the Designated Persons. The Code also includes requirements for the Structured Digital Database, prescribed format for reporting of trading in the securities of the Company, reporting of violations to the stock exchanges etc. The Company has also implemented the Policy and Procedure for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information ('UPSI'), pursuant to the SEBI Insider Trading Regulations.

Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code. Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board on a quarterly basis. Pursuant to the SEBI Insider Trading Regulations, the Company has established a Structured Digital Database with adequate internal controls and checks such as time stamp and audit trails. The Company has also established effective internal controls to ensure compliance with the SEBI Insider Trading Regulations. These internal controls are reviewed annually by the Audit committee and the Board of Directors to ensure effectiveness of such controls. The compliances with the SEBI Insider Trading Regulations for the financial year ended March 31, 2023 were independently reviewed by the Secretarial Auditors of the Company.

### **iii. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information**

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of UPSI with a view to facilitate prompt, uniform and universal dissemination of UPSI. The Code also includes the Policy for Determination of Legitimate Purposes. The information can be accessed at the website of the company i.e. [www.hmagroup.co](http://www.hmagroup.co)

### **iv. Policy for Determining Materiality of Events and Information**

The Company has adopted the Policy for Determining Materiality of Events and Information. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchanges. The Policy is displayed on the Company's website and can be accessed at : <https://www.hmagroup.co/wp-content/uploads/2023/07/9-Policy-for-determination-of-materiality-of-events-or-information.pdf>

### **v. Whistle Blower Policy/Vigil Mechanism Policy:**

Pursuant to Section 177(9) & (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee.

The Whistle Blower Policy/Vigil Mechanism also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy has been posted on the Company's website and can be accessed at: The Audit Committee periodically reviews the functioning of the Policy and the Ombudsperson Process. During the financial year, no Director or full time employee was denied access to the Chairman of the Audit Committee.

### **vi. Appointment and Remuneration Policy**

The Company has a Policy on appointment and remuneration of Directors, Key Managerial Personnel ('KMP') and Senior Management/ other employees ('Employees') of the Company. The Policy aims to ensure that the persons appointed as Directors, KMPs and Employees possess the requisite qualifications, experience, expertise and attributes commensurate to their positions and level and that the remuneration of such persons is fair, reasonable and sufficient to attract, retain and motivate the personnel to manage the Company successfully. The Policy contains, inter alia, provisions pertaining to qualification, attributes and process of their appointment and removal as well as remuneration. The Policy is displayed on the Company's website and can be accessed at <https://www.hmagroup.co/wp-content/uploads/2023/07/8.-Nomination-and-Remuneration-Policy.pdf>

### **vii. Policy for Determining Material Subsidiaries:**

Policy for Determining Material Subsidiaries is displayed on the Company's website and can be accessed at: <https://www.hmagroup.co/wp-content/uploads/2023/07/9-Policy-for-determination-of-materiality-of-events-or-information.pdf> As on March 31, 2023, the Company did had only one any material subsidiary i.e Federal Agro Industries Private Limited.

### **viii. Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions**

There are no materially significant related party transaction with its promoters, Directors or the management, their subsidiaries or Relatives, which may have potential conflict with the interest of the Company at large. The other related party transactions are given in Notes to Accounts annexed to and forming part of Balance Sheet and Profit and Loss Account of the Company.

Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions is displayed on the Company's website and can be accessed at <https://www.hmagroup.co/wp-content/uploads/2023/07/4.-Policy-on-dealing-with-related-party-transactions.pdf>

#### **ix Dividend Distribution Policy**

The Company has formulated and implemented the Dividend Distribution Policy in accordance with the Listing Regulations. The Policy has been posted on the Company's website and can be accessed at <https://www.hmagroup.co/wp-content/uploads/2023/07/3.-Dividend-Distribution-Policy.pdf>

#### **x. Policy for Preservation of Documents**

The Company has a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws applicable to various functions and departments of the Company.

#### **xi. Archival Policy**

The Company has an Archival Policy that lays down the process and manner of archiving the disclosures made to the Stock Exchanges under the Listing Regulations. The Policy provides that such disclosures shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchanges. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The information can be accessed at the website of the company i.e. [www.hmagroup.co](http://www.hmagroup.co)

#### **xii. Corporate Social Responsibility Policy**

The Company has outlined the Corporate Social Responsibility Policy that is displayed on the Company's website and can be accessed at <https://www.hmagroup.co/wp-content/uploads/2023/07/7.-Corporate-Social-Responsibility-Policy.pdf>

#### **xiii. Risk Management Policy**

The Company has formulated the Risk Management Policy in accordance with the Regulations 4(2)(f), 17(9), 21 and Part D of Schedule II of Listing Regulations and section 134(3), 177(4) of the Act read with Rules made thereunder, as amended from time to time. The Risk Management Policy of the Company aims to increase overall awareness of risk and enables the managers and those responsible for risk reporting, to identify, assess and control risks within their areas.

The Company also has in place other policies such as:

- Policy on Board Diversity.
- Succession Plan for Board Members and Senior Management.
- Performance Evaluation Policy
- Code of Conduct for Employees.
- Policy for Prevention of Sexual Harassment.

#### **MEANS OF COMMUNICATION**

##### **(a) Quarterly Results/ Annual Results:**

The quarterly and the annual results, published in the format prescribed by the Listing Regulations read with the Circular issued thereunder, are approved and taken on record by the Board of Directors of the Company. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed viz, NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE).

##### **(b) Newspapers wherein results are normally published:**

The results are also published within 48 hours in Financial Express and Hindustan (English & Hindi editions, respectively) and are also displayed on the Company's website: [www.hmagroup.co](http://www.hmagroup.co)

##### **(c) Posting of Information on the website of the Company:**

1. The Annual/Quarterly results of the Company, Share Holding Pattern, and other official news are promptly posted on the website of the Company: [www.hmagroup.co](http://www.hmagroup.co)
2. Various sections of the Company's website [www.hmagroup.co](http://www.hmagroup.co) keep the investors updated on material developments of the Company by providing key and timely information like details of Directors, financial information, press releases, presentations, stock information, etc.
3. Disclosures made to the Stock Exchanges are promptly uploaded on the website of the Company for information of the Investors.
4. The Company diligently works towards excellence in stakeholder communication. It believes in sharing all material information that may directly or indirectly affect the financial and operational performance of the Company and consequently the share price.

(d) A dedicated e-mail address viz. [cs@hmaagro.com](mailto:cs@hmaagro.com) for interacting on various matters with respect to share transfer, transmission, dividends and other related issues with the Company Secretary and Compliance Officer.

(e) The Management Discussion and Analysis report forms a part of this Annual Report.

**GENERAL SHAREHOLDER INFORMATION****a) ANNUAL GENERAL MEETING:**

<b>DATE AND TIME</b>	<b>22<sup>nd</sup> September, 2023 at 5.00 PM</b>
<b>VENUE</b>	Jaypee Palace Hotel & Convention Centre
<b>DATES OF BOOK CLOSURE</b>	Saturday, 16 September, 2023 to Friday, 25 September, 2023 (both days inclusive)
<b>RECORD DATE</b>	Friday, 15 September, 2023

b) **Current Financial Year:** From 01.04.2023 to 31.03.2024.

**Tentative Calendar for Financial Year ending 31st March, 2024:**

<b>Result of First quarter ended on 30th June, 2023</b>	<b>On or before 14th August, 2023</b>
<b>Result of Second quarter ended on 30th September, 2023</b>	On or before 14th November, 2023
<b>Result of Third quarter ended on 31st December, 2023</b>	On or before 14th January, 2024
<b>Result of Fourth quarter and year ended on 31st March, 2024</b>	On or before 30th May, 2024

c) **Dividend Payment Date:** As per the notice convening the 15th Annual General Meeting, the Dividend, if declared, will be paid within 30 days from the date of the Annual General Meeting.

d) **Names and address of stock exchange(s) at which listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):**

**Listing on Stock Exchange:**

Company is a newly listed entity. The shares of the company were listed on 04<sup>th</sup> Day of July, 2023 at both the stock exchanges i.e BSE limited and NSE Limited. The details are as follows:

<b>Sr. No.</b>	<b>Name of Stock Exchange</b>	<b>Address of Stock Exchange</b>	<b>Scrip Code/ Symbol</b>	<b>Type of Shares Listed</b>	<b>No. of Shares Listed</b>
1.	BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai -400 001	543929	Equity Shares	50076977
2.	National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai - 400 051	HMAAGRO	Equity Shares	50076977

**Note:**

a. Annual listing fees for the Financial Year 2023-24 have been duly paid to the Stock Exchanges.

b. ISIN with NSDL & CDSL: INE0ECP01016

c. **Stock Code:**

**BSE Limited:** 543929

**National Stock Exchange Limited:** HMAAGRO

**Demat ISIN Number for NSDL & CDSL:** INE0ECP01016

**d. Market Price Data, Stock Performance & Comparison to board-based Indices:**

Data for 31.03.2023 is not available as the company was not listed as that time. The company was listed w.e.f 04<sup>th</sup>Day of July, 2023.



Note: The Company' equity shares were listed on July04, 2023; hence, data provided from July 04, 2023 onwards.

e. In case the securities are suspended from trading, the director's report shall explain the reason thereof: Not Applicable

**f. Registrar to an issue and Share Transfer Agents**

**Registrar & Transfer Agents:**

Bigshare Services Private Limited  
 Address: E/2 Ansa Industrial Estate, Saki Vihar Road  
 Saki Naka, Andheri (E), Mumbai 400 072, Maharashtra  
 Tel: 91-22-40430200,  
 Fax: 91-22-28475207  
 Website: <https://www.bigshareonline.com/>  
 SEBI registration number: INR000001385

**g. Share Transfer System**

Trading in equity shares of the Company is permitted only in dematerialized form. In terms of requirements of Regulation 40 of the Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form, except in case of request received for transmission or transposition of securities, shall not be processed. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized to be able to freely transfer them and participate in various corporate actions.

To facilitate shareholders for trading in demat form, Company has entered into agreement with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

**h. Distribution of Shareholding as on 31st March, 2023:**

**a) Value Wise**

**BIGSHARE SERVICES PVT LTD.**

**(NSDL-CDSL-Physical) DISTRIBUTION SHARE HOLDING (IN SHARES) As on Date 31/03/2023**

SHAREHOLDING	NUMBER OF SHAREHOLDERS	PERCENTAGE OF TOTAL	NUMBER OF SHARES	PERCENTAGE OF TOTAL
1001-2000	1	14.2857	1275	0.0025
10001-9999999999	6	85.7143	47511600	94.8771
TOTAL	7		47512875	94.8797

**b) Category Wise**

Sr. No	Category	No. of Shares	Shareholding as a Percentage of Total Number of Shares
A	<b>Promoters &amp; Promoter Group</b>	47512875	100.00
B	<b>Public Shareholding</b>		
	1. Financial Institutions/ Banks	0	0
	2. Mutual Funds/ Domestic Companies	0	0
	3. Non-Resident Indians/ Foreign Nationals	0	0
	4. FPI / FII	0	0
Grand Total		47512875	100.00

**i. Dematerialization of Equity Shares and liquidity:**

The Equity Shares of the Company are admitted in the following depositories of the Country under the International Securities Identification Number (ISIN) INE0ECP01016. This number is required to be quoted in each transaction relating to the dematerialized equity shares of the Company.

Name of the Depository	Address
<b>National Securities Depository Limited</b>	Trade World, A wing, 4th & 5th Floors, Kamala Mills Compound, Senapathi BapatMarg, Lower Parel, Mumbai - 400 013
<b>Central Depository Services (India) Limited</b>	Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street Mumbai – 400 001.

The Company has paid the custodial charges to the respective depository participants for the year ending 31 March 2024.

The Securities and Exchange Board of India has specified that the shares of the Company would be traded only in demat form effective 29 November 1999. Further, the Securities and Exchange Board of India, had vide its notification No. SEBI/LAD-NRO/GN/2018/24 dated 8 June 2018 and a press release dated 3 December 2018, have restricted transfer of shares in physical form effective 1 April 2019. In view of the above and considering the benefits of holding shares in electronic form, the shareholders holding physical share certificates are requested to dematerialize their holding at the earliest. As on 31 March 2023, 100.00% shareholders are holding shares in demat form.

**j. PLANT LOCATIONS:**

We process our products through APEDA approved Food Processing units, most of which are owned by our subsidiaries. Some of these subsidiaries carry out the raw material purchases and sell the exportable products to us while some of these units only processes our products on a contractual basis against fixed charges. Further, some of these processing units are owned by third parties. All the products are packaged and exported by our company.

The details of our current processing set up and capabilities are as mentioned at Page No. 17 of this document

**k. Address for correspondence:**

Company	Registrar & Share transfer Agent
<b>HMA Agro Industries Limited</b> <b>Secretarial Department</b> <b>Address: 18A/5/3, Tajview Crossing fatehabad Road Agra</b> <b>Uttar Pradesh-282001.</b> <b>Email Id: cs@hmaagro.com</b> <b>Website: <a href="http://www.hmagroup.co">www.hmagroup.co</a></b> <b>Ph. No: +91-7217018161</b>	Bigshare Services Private Limited Address : E/2 Ansa Industrial Estate, Saki Vihar road, Saki Naka, Andheri (E), Mumbai 400 072, Maharashtra Tel: 91-22-40430200, Fax: 91-22-28475207 Website: <a href="https://www.bigshareonline.com/">https://www.bigshareonline.com/</a> SEBI registration number: INR000001385

**l. Commodity price risk and Commodity hedging activities:*****Instruments in hedging relationship***

The Company designates certain foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges, net of taxes based on the forecasted highly probable transactions. The Company uses hedging instruments that are governed by the policies of the Company which are approved by the Board of Directors. The policies provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Company.

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

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

***Instruments not in hedging relationship***

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

**m. CREDIT RATING**

CRISIL upgraded long-term rating on the bank facilities CRISIL A- CRISIL Ratings has reaffirmed its 'CRISIL A-/Stable' rating on the bank facilities of HMA Agro Industries Limited (HMA; apart of the HMA group). The outlook on the long-term and short-term

rating is 'Stable. The rating continues to reflect established market position and healthy financial risk profile of the HMA group. These strengths are partially offset by moderate scale of operations and low operating profitability.

#### n. E-VOTING

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014 and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, members have been provided the facility to exercise their right to vote at General Meetings by electronic means, through e-Voting Services provided by NSDL.

#### **Schedule of events for the voting and declaration of voting results:**

Events	Planned dates
<b>Dispatch of Annual Report</b>	30 August 2023
<b>Advertisement regarding dispatch of Notice and public notice regarding e-voting in English and Hindi</b>	31 August 2023
<b>Cut-off date for remote e-voting</b>	15 September 2023
<b>Commencement of remote e-voting</b>	15 September 2023 09:00 AM
<b>Closing of the e-voting</b>	21 September 2023 05:00 PM
<b>Voting at AGM</b>	22 September 2023
<b>Declaration of results of voting</b>	24 September 2023

#### Voting Results

The results declared along with the report of the Scrutinizer shall be placed on the website of the Company, [www.hmagroup.co](http://www.hmagroup.co) and on the website of NSDL ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) immediately after the declaration of the results by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the shares of the Company are listed. The results shall also be displayed on the notice board of the Company at the registered office and the corporate office.

#### o. CORPORATE IDENTITY NUMBER (CIN)

The CIN of the Company allotted by the Ministry of Corporate Affairs, Government of India is U74110UP2008PLC034977.

#### p. Category of Shareholding pattern as on 31<sup>st</sup> March, 2023:

Category Code	Category Code	Number of Shareholders	Total number of shares	As a percentage of(A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	7	47512875	100
(2)	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	7	47512875	100
(B)	Public Shareholding			
(1)	Institutions	-	-	-
(2)	Non-institutions	-	-	-
	Total public shareholding	-	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
	<b>Total A+B+C</b>	<b>7</b>	<b>47512875</b>	<b>100</b>

#### q. CORPORATE BENEFITS TO SHAREHOLDERS:

#### **DIVIDEND DECLARED FOR THE LAST THREE YEARS:**

Financial Year	Dividend Declaration Date	Dividend
2021-2022	Declared	2.00 Rs per Equity Shares (Subject to deduction of taxes as applicable)
2020-2021	Not Declared	Not Declared
2019-2020	Declared	0.70 Rs per Equity Shares (Subject to deduction of taxes as applicable)

#### r. Investor Helpdesk:

Shareholders/Investors can also send their queries through e-mail to the Company at [cs@hmaagro.com](mailto:cs@hmaagro.com). This designated e-mail has also been displayed on the Company's website [www.hmagroup.co](http://www.hmagroup.co) under the section Investor contact.

**s. Outstanding GDRs/ADRs/Warrants or any convertible instruments and conversion date and likely impact on equity:**

There is no outstanding GDRs/ADRs/Warrants or any convertible instruments.

**OTHER DISCLOSURES**

- a) **Disclosures on materially significant related party transactions that may have potential conflict with the interest of listed entity at large:** During the Financial year 2022-2023, no materially significant related party transaction undertaken by the Company under Section 188 of the Companies Act, 2013, read with rules framed thereunder, Indian Accounting Standards (Ind AS 24) that may have potential conflict with the interest of the Company at large. The Company has entered into some transactions with related parties as defined under Section 2(76) of the Companies Act, 2013, which were at arms' length basis and the same were duly approved or reviewed by the Audit Committee. The necessary disclosures regarding the transactions with related parties are given in the notes to the financial statements. Your Company has formulated a Policy on materiality of Related Party Transactions and dealing with Related Party Transaction. It is available on the website of the Company, which can be accessed at [www.hmagroup.co/investorrelation](http://www.hmagroup.co/investorrelation).
- b) **Non-compliance by the Company, Penalties, Strictures:** No penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- c) **Whistle Blower Policy/Vigil Mechanism Policy:**  
Pursuant to Section 177(9) & (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company have been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website at [www.hmagroup.co](http://www.hmagroup.co)
- The Whistle Blower Policy/Vigil Mechanism also provides safeguards against victimization or unfair treatment of the employees who avail of the mechanism and no personnel has been denied access to the Audit Committee.
- d) **Details of compliance with mandatory requirements:**  
The Company has complied with all the mandatory requirements of the Listing Regulations relating to Corporate Governance. A Certificate from Practicing Company Secretary to this effect has been included in this report.
- e) **Details of utilization of funds:**  
The company has not raised any funds through preferential allotment or qualified institutions placement.
- f) **NON- DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**  
Certificate from M/s R.C Sharma & Associates, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report as **Annexure-II**.
- g) **Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees:**  
In terms of amendments made to Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from all its committees to the extent possible.
- h) **Details of Total Fees to Statutory Auditor:**  
Details relating to fees paid to the Statutory Auditors are given in Note No. 28 to the Standalone Financial Statements & Note No. 26 to the Consolidated Financial Statements.
- i) **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**  
**Status of the complaints in relation to Sexual harassment of Women at Workplace (Prevention, Prohibition, and Redressal)**
- Number of complaints filed during the financial year: 0
  - Number of complaints disposed of during the financial year: 0
  - Number of complaints pending as on end of financial year: 0
- j) **Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:**  
No amount of Loans and advance has been advanced by the listed entity or subsidiaries to any firms/companies in which directors are interested.
- k) **Details of Material Subsidiaries of the Listed entity including the date and place of incorporation and name and date of appointment of such subsidiaries:**
- l) **Non-Compliance of any requirement of corporate governance report of sub paras (2) to (10) above shall be disclosed: N.A**
- m) **The disclosure of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of Listing Regulations:** The Company has complied with

corporate governance requirements specified in regulation 17 to 27 and clauses(b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, 2015 to the extent applicable, as the Company was listed on Stock Exchanges on July04, 2023.

- n) **Disclosures with respect to demat suspense account/unclaimed suspense account:** The Company does not have any shares in the demat suspense account or unclaimed suspense account.
- o) **Disclosure of Accounting:**  
In preparation of the financial statements, the Company has followed the Indian Accounting Standards (Ind As) issued by the Institute of Chartered Accountants of India (ICAI). The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.
- p) **Secretarial Audit**  
M/s R.C Sharma & Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the Company for the financial year 2022-23. Their Audit Report confirms that the Company has complied with the applicable provisions of the Companies Act, 2013 and the Rules made there under, Listing Regulations, applicable SEBI Regulations and other laws applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

The Company Secretary in practice carries out a quarterly Reconciliation of Share Capital Audit, to reconcile the total admitted capital with National Securities Depository Ltd. (NSDL) and Central Depository Services (India)Ltd. (CDSL) and the total issued and listed capital. The audit confirms that the total issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

**Certificate on Corporate Governance:**

The Compliance Certificate on Corporate Governance for the Financial Year ended 31st March, 2023, issue by M/s. R.C Sharma & Associates., Practicing Company Secretary of the Company forms part of this Report as **Annexure-III**.

**Mandatory & Non-mandatory Requirements:**

The Company has complied with all the mandatory requirements Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

During the year under review, there were no complaint i.e. incidences of sexual harassment were reported and there were no complaints pending as on end of the financial year.

**Disclosure of Accounting Treatment**

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standard) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

**Statutory Compliance, Penalties and Strictures:**

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations, circulars and guidelines issued by the SEBI. There were no strictures or penalties imposed by either SEBI or Stock Exchanges or MCA or any other regulatory/ statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

**Compliance with SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015:**

The Company has fully complied with mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Confirmation by the Board of Directors regarding acceptance of recommendation of all Committees:**

In terms of amendments made to Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendation received from all its committees to the extent possible.

**Disclosure of Loans and advances to firms/Companies in which directors are interested:**

Details relating to Loan and Advances given in Note 08 to the Standalone Financial Statements.

**Executive Director and Chief Financial Officer (CFO) certification:**

The Managing Director & Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/CFO certification for Financial Year ended March 31, 2023.

The certificate required under Regulation 17(8) of the SEBI Listing Regulations, duly signed by the Managing Director and Chief Financial Officer of the Company was placed before the Board. The same is provided as Annexure-IV to this report.

By the order of the Board of Directors  
**FOR HMA AGRO INDUSTRIES LIMITED**

Sd/-  
**Gulzar Ahmad**  
Whole time Director and Chairman  
DIN: 01312305  
Date: 29.08.2023  
Place: Agra

## ANNEXURE-F

**DISCLOSURES ON MANAGERIAL REMUNERATION**

Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended) the statistical analysis of the remuneration paid to Directors and Key Managerial Personnel (KMP) to the median remuneration of employees of the company and with respect to the performance of the company (PAT) and other disclosures are given below:-

- (I) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2022-23;**

Sr. NO.	Designation	Designation	Ratio
1.	Gulzar Ahmad	Chairman Cum Whole Time Director	12:1
2.	Wajid Ahmed	Managing Director	12:1
3.	Gulzeb Ahmed	Whole Time Director Cum FCO	8:1

- (II) **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23;**

Sr. NO.	Designation	% increase in remuneration
1.	Gulzar Ahmad	20%
2.	Wajid Ahmed	20%
3.	Gulzeb Ahmed	17.65%

- (III) **The percentage increase in the median remuneration of employees in the financial year 2022-2023;**

Particulars	Amount (in ₹)	% increase in Salary
FY 2021-22	12,53,364	-
FY 2022-23	14,96,286	19.30

**Notes:**

- The number of permanent employees on the rolls of the company as on 31st March, 2023 is approx.. 956.
- Payment to Non-Executive Independent Directors is only Sitting Fees.

For: HMA AGRO INDUSTRIES LIMITED

Sd/-  
Gulzar Ahmad  
Chairman  
(DIN: 01312305)  
Place: Agra  
Date: 29.08.2023

# ANNEXURE G

# ANNEXURE G

## A. Economic Overview:

### Global Economy

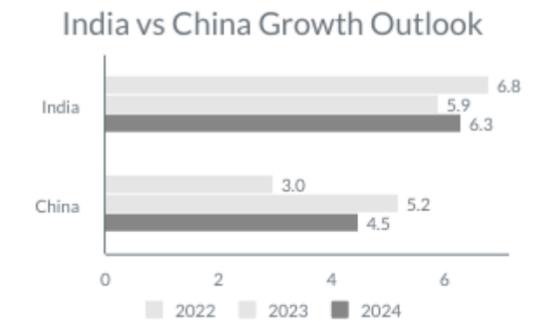
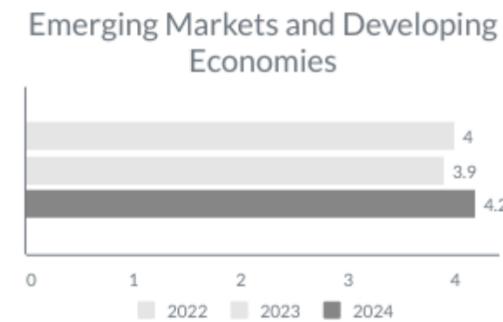
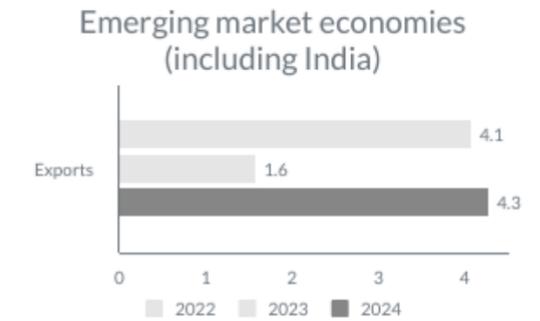
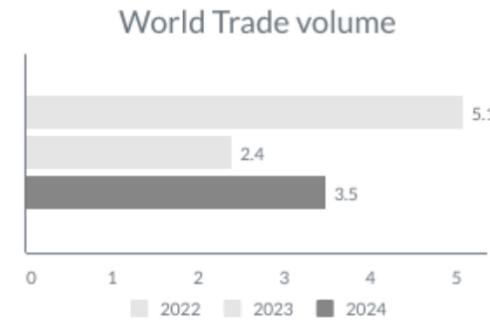
Global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia - Ukraine conflict, and the after effect of COVID-19 pandemic all weigh heavily on the outlook. Global growth is forecast to slow from 6.0 per cent in 2021 to 3.2 per cent in 2022 and 2.7 per cent in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

Russia-Ukraine conflict continues to overshadow the world economy. Despite recent signs of improvement, recovery over the next two years is expected to be moderate. The outlook remains fragile and downside risks predominate. High uncertainty generated by the war could take a heavy toll on activity. Trade tensions are high and could worsen. Concerns about financial vulnerabilities have risen, including in financial institutions, housing markets and low-income countries. While headline inflation has started declining, it remains elevated and could persist longer. (Source – OECD)

### Indian Economy and Outlook

Credit growth to the micro, small, and medium enterprises (MSME) sector has been remarkably high, over 30.5 per cent, on average during Jan-Nov 2022.

Capital expenditure (capex) of the central government, which increased by 63.4 per cent in the first eight months of FY 2022-23, was another growth driver of the Indian economy in the current year. Private consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY 2022-23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport. Return of migrant workers to construction activities helped housing market witnessing a significant decline in inventory overhang to 33 months in Q3 of FY 2022-23 from 42 months last year. Surge in growth of exports in FY 2021-22 and the first half of FY 2022-23 induced a shift in the gears of the production processes from mild acceleration to cruise mode.



**B.Industry Structure and Development:**

The Global Frozen Meat Market size reached US\$ 80 billion in 2022 and is projected to witness lucrative growth by reaching up to US\$ 165 billion by 2030. The market is growing at a CAGR of 4.9% during the forecast period 2023-2030.

The primary driver of the frozen meat market is the increasing demand for convenience foods, which are easy to prepare and require less time in the kitchen.

The frozen meat market for frozen meat products is seeing strong growth in urban areas, where consumers have limited time and space for cooking and storing fresh meat. The increasing demand for convenience foods is a significant driver of the global frozen meat market and is expected to continue to support its growth in the coming years.

**Recent Status of Indian Meat Industry – An Overview**

The meat production industry is a vital part of the Indian agricultural setup. According to a research, meat production in India is estimated at 6.3 million tons annually and is ranked 5th in the world in terms of production volume. India is responsible for 3% of the total meat production in the world. The nation has the world’s largest population of livestock at about 515 million.

**OPPORTUNITIES AND THREATS**

The company deals in buffalo meat and allied products only. Unlike beef or pork, buffalo meat is free from religious constraints and has the added advantage of low fat and cholesterol.

In 2022-23, buffalo meat exports reached 1,175,532 tonnes valued at Rs 25 640 Crore. A slowdown in demand is likely to keep buffalo meat exports from India subdued in the first half of the current year after a marginal increase in volumes in FY23.

According to data released by the Agricultural and Processed Food Products Export Development Authority (APEDA). Currency volatility, slowdown in category growth rates and unpredictable weather patterns are some of the threats to the company’s prospects.



OPPORTUNITIES	THREATS
<p><b>Low per capita meat consumption among the developing countries</b></p> <p>Global meat consumption is currently forecast to grow supported by population and income growth, primarily in Asia. Low per capita consumption along with demographic changes provides tremendous scope for future penetration. Major developing countries (SE Asian countries including India) with low meat consumption currently will emerge as major growth centers for the global meat industry</p>	<p><b>Significant shifts in consumption patterns due to COVID-19 impact</b></p> <p>The pandemic has witnessed significant shifts in consumer purchasing behavior. The foodservice sector has been one of the most impacted industries, with wide-scale shutdowns and operating restrictions across most markets. The main players in the foodservice sector that pivoted to takeaway or delivery models were able to weather the pandemic restrictions more successfully. Retail meat sales have performed well comparatively, in the next wave with consumers spending more time cooking at home in line with the decline in food delivery service. There has been a growing consumer interest and awareness about locally sourced, natural products, and preference for healthy, immunity boosting, and ready to eat, convenient food products.</p>
<p><b>Population growth and demographics</b></p> <p>Population growth is clearly the main driver of increased consumption, and the projected global population increase of 11% will support an increase of 14% in global meat consumption by 2030. The meat’s share in the global consumption is expected to be around 21%.</p>	<p><b>Environmental Impact of the industry</b></p> <p>The meat industry poses numerous threats to the natural environment with high consumption of land and water resources and increase in anthropogenic GHG emissions. Many meats producing countries such as Brazil, Australia and Argentina has also been criticized for causing deforestation, clearing of forest for the soy and cattle industries, increase in soy plantations, increase in wildfires incidents and significant bio-diversity loss. The Indian buffalo meat follows green cattle production and processing methods, free of any growth hormones or artificial feeds</p>
<p><b>High economic growth and increase in consumer purchasing power</b></p> <p>Household income growth within developing countries is expected to drive further demand for meat, as increasing disposable incomes open a range of retail and dining choices for consumers. The developing countries are forecast to account for 77% of additional world consumption growth over the next five years, largely due to population growth, urbanization and increasing incomes.</p>	<p><b>Various Government Approvals Requires</b></p> <p>Meat Industry requires huge numbers of government approvals and licensing for smooth operation of meat business and also requires timely renewal of these permissions and licensing. It a big threat for meat industry.</p>
<b>DURABILITY OF OUR PRODUCTS</b>	
<p>Our Products can be storage upto 2 years so that this is a Good option for countries which is Concerned about their food security.</p>	
<b>INCREASE RATE OF CONSUMMATION OF MEAT AS MEAL</b>	
<p>Almost 60% of world population uses Meat &amp; Meat Products as their meal. Our Products is Taken as a Common Food for World Population.</p>	
<b>QUALITY OF OUR PRODUCTS</b>	
<p>Our product having a low fat cholesterol, Slaughter through Halal methods and Free from major diseases.</p>	

### C. SEGMENT-WISE/ PRODUCT-WISE PERFORMANCE

The company deals in buffalo meat and allied products only. Unlike beef or pork, buffalo meat is free from religious constraints and has the added advantage of low fat and cholesterol.

There is a growing demand for Indian meat in developing countries especially from the Middle Eastern and South Asian markets. The company is well positioned to take advantage of such growing demands. The company recently diversified its product portfolio by adding Frozen Fish Products and Basmati Rice as business verticals; this will enable the company to capture new geographies and increase revenue.

### D.Outlook

In order to consolidate the presence of your company across the major markets like UAE, Iraq, Saudi Arabia, Oman, Bahrain, Jordan, Algeria, Egypt, Angola, Vietnam, Indonesia, Georgia, Malaysia, Cambodia, and other Middle East, CIS, and African Countries. The company has plans to expand its reach.

### E. RISKS AND CONCERNS

Outbreaks of livestock diseases in general can significantly restrict company ability to conduct operations. The company operates in a highly regulated environment and religiously sensitive business. Any significant change in the government policies or any political instability in India could adversely affect business.

The company faces foreign exchange risks, as it derives around 90% of its revenue from exports. Any significant fluctuation in the value of the Indian rupee against such currencies including as noticed recently in the case of the US dollar may adversely affect results of operations. Your Company increased its efforts to improve productivity by deploying various cost reduction and energy saving initiatives, resulting in a reduction in manufacturing costs to lower levels.

### F. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year under review, the turnover of the Company is ₹31,25,55,30,000/- in comparison with the last year ₹29,21,98,90,000/-. The profit after tax of the company is ₹1,37,32,10,000/-. Despite high inflationary and cost pressures throughout the year, company capitalized on every available opportunity and undertook strategic initiatives coupled with to exploit the full industry potential, besides making efforts towards cost reduction and improved efficiency which enable the company to grow reasonably well.

### G. HUMAN RESOURCES

‘Humankind is the Greatest Resource’

The Company’s endeavor has always been to build an organization where its people are always engaged and empowered to do their best. The Company’s culture is focused on quality product preparation and collaborative team work.

Owing to the competitiveness and diversity of Indian markets, the Company strives to ensure adequate succession planning of its leadership talent pool. In line with the Company’s focus on employee empowerment, it has also designed new ‘Ways of Working’ to deliver high operational excellence and governance.

The Company recognizes and appreciates the contribution of all its employees in its growth path. Our Company strives to retain talent by facilitating career growth through job enrichment and empowerment, as it believes that the pool of the human resource is the biggest asset of the organization. Your Company maintains a cordial relationship with its employees through a constructive work environment in support of productive gains.

\*Equity in Debt-Equity Ratio includes retained earnings  
 \* Equity in Return on Equity Ratio does not include retained earnings  
 \*Current ratio change due to decrease in current assets  
 \*Return on Equity, Return on capital employed and Return on investment change due to change in profitability on higher side  
 \* Net profit ratio change due to profit from business increased.

### H. CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis describing the HMA Agro Industries Limited objectives, projections, estimates and expectations might be construed as ‘forward looking statements’ within the meaning of applicable laws and regulations.

Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company’s operations include a downward trend in the industry, rise in input costs, exchange rate fluctuations and significant changes in political and economic environment, environment standards, tax laws, litigation and labour relations.

To ensure our Long term corporate success, company implements risk management system which includes recording, monitoring and controlling internal enterprise business risks and addressing them through informed and objective strategies.

**For: HMA AGRO INDUSTRIES LIMITED**

**Place: Agra  
Date: 29.08.2023**

**Sd/-  
Gulzar Ahmad  
Chairman  
(DIN: 01312305)**

**ANNEXURE-H****DISCLOSURE PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS), RULES 2014.****1. Conservation of Energy:**

Your Company's focus on Energy Management, Operational Excellence, and Plant Reliability improvement continued during the year under report. Your Company continued its policy of giving priority to energy conservation measures including regular review of energy generation, distribution, consumption and effective control on utilization of energy in its Factory sites at Aligarh, Agra (UP) Mewat (Haryana) Dera Bassi (Punjab)

**2. Technology Absorption:**

The company recently setup new Machinery in all its plants which are newly technology equipped and which helps in absorption of technology for more efficiency in operation. Your Company is always do research and developments for adopt new technology for the business.

**3. Foreign Exchange Earnings & Outgo during the financial year under review:**

Particulars	Amount (In ₹ Millions)
Foreign Exchange Earnings	372.80
Foreign Exchange Outgo	3.36

By Order of the Board

For: HMA AGRO INDUSTRIES LIMITED

Sd/-

Gulzar Ahmad

Chairman cum Whole Time Director

DIN: 01312305

Place: Agra

Date: 29.08.2023

**Annexure-I****TO WHOMSOEVER IT MAY CONCERN**

I, Wajid Ahmed, Managing Director (MD) of HMA Agro Industries Limited ("the Company") confirm that the Company has adopted a Code of Conduct ("Code") for its Board Members and senior management personnel and the Code is available on the Company's Website.

I, further confirm that the Company has in respect of the financial year ended March 31, 2023, received from its Board members as well as senior management personnel affirmation as to compliance with the Code of Conduct.

This is to confirm that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company for the financial year ended March 31, 2023.

**For HMA Agro Industries Limited**

**Sd/-  
Wajid Ahmed  
Managing Director  
Place: Agra  
Date: August 29, 2023**

## Annexure-II

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS****(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI(Listing Obligations and Disclosure Requirements)Regulations, 2015)**

To,  
The Members,  
HMA AGRO INDUSTRIES LIMITED  
Add: 18A/5/3, Tajview Crossing  
Fatehabad Road Agra Uttar Pradesh-282001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HMA AGRO INDUSTRIES LIMITED** having CIN U74110UP2008PLC034977 and having registered office at 18A/5/3, Tajview Crossing Fatehabad Road, Agra, Uttar Pradesh-282001(hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority .

Sr. No	Name of Director	DIN	Initial Appointment	Date of
1	Gulzar Ahmad	01312305	09.04.2008	
2	Wajid Ahmed	01312261	01.04.2013	
3	Gulzeb Ahmed	06546660	03.06.2021	
4	Amit Goyal	05146923	03.06.2021	
5	Gaurav R. Luthra	08023492	03.06.2021	
6	Bhumika Parwani	09732792	26.09.2022	

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R.C Sharma & Associates,**  
**Company Secretaries**  
**COP No: 7957**

Sd/-  
R.C Sharma  
Prop  
Company Secretary  
M.No: 5524  
Date: 07.08.2023  
Place: Agra  
UDIN: F005524E000752886

**Annexure-III****CERTIFICATE ON CORPORATE GOVERNANCE**

To,

The Member of

**HMA AGRO INDUSTRIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **HMA AGRO INDUSTRIES LIMITED** (the Company) for the year ended March 31, 2023, as per regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the company's management. Our examinations were limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For R.C Sharma & Associates,  
Company Secretaries  
COP No: 7957**

Sd/-  
R.C Sharma  
Prop  
Company Secretary  
M.No: 5524  
Date: 07.08.2023  
Place: Agra  
UDIN: F005524E000752776

**ANNEXURE-IV****CERTIFICATION BY EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER OF THE COMPANY PURSUANT TO REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015**

We, Wajid Ahmed, Managing Director (MD) and Gulzeb Ahmed, Chief Financial Officer (CFO), of HMA Agro Industries Limited ("the Company"), to the best of our knowledge and belief, certify that:

1. We have reviewed the financial statements for the Quarter & Financial Year ended March 31, 2023 along with its schedules and notes on accounts, as well as the cash flow statements;
2. These statements do not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, misleading with respect to the statements made;
3. These financial statements, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report, and are in compliance with the existing accounting standards and applicable laws and regulations;
4. Based on our knowledge and information, no transactions entered into by the Company during the period, are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of internal controls and steps proposed to be taken to rectify these deficiencies.
6. We have disclosed, based on our most recent evaluation, to the Company's Auditors and the Audit Committee of the Company's Board of Directors:
  - a. Significant changes in internal control over financial reporting during the period, if any;
  - b. significant changes in accounting policies during the financial year and that the same have been disclosed in the notes to the financial statements; and
  - c. There are no instances of fraud of which we have become aware and the involvement, therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Agra  
Date: 07Aug, 2023

Sd/-  
Wajid Ahmed  
Managing Director

Sd/-  
Gulzeb Ahmed  
Chief Financial Officer

The background features a large, abstract geometric design. A prominent diagonal line runs from the top-left towards the bottom-right. This line is composed of a red segment at the top and a dark blue segment at the bottom. The dark blue segment is wider and extends further down the page. The overall composition is clean and modern, with a strong color palette of red and dark blue against a white background.

# FINANCIAL STATEMENTS

**MAPSS AND COMPANY**  
 CHARTERED ACCOUNTANTS  
 C-40, Second Floor, Ten Tower  
 Above Indian Bank, Sec-15,  
 Vasundhara, Ghaziabad-201012  
 Tel: 0120-4166486  
 Email: gpa001@gmail.com



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of HMA Agro Industries Limited

### **Opinion**

We have audited the accompanying standalone financial statements of HMA Agro Industries Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

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

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

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

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

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

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act subject to the matters specified in key audit matters and other matters.

- e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- g) With respect to the matter to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note no. 38 to the consolidated financial statements.
- ii. The Company has not made any provision against the pending litigation as the company believes that these claims are not tenable and hence no provisioning made by the company.
- iii. There were no amounts as on 31<sup>st</sup> March 2023, which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
- v. As stated in note 2.16 to the accompanying standalone financial statement, the Board of Directors of the company has recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the company. As per corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity. Company has declared and paid dividend during the period under review.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we have given "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order .

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

Sd/-  
**CA GYAN CHANDRA MISRA**  
Partner  
Membership No. 078183  
UDIN: 23078183BGVUVI5522  
Date : 31-07-2023  
Place: Ghaziabad

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

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

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

We have audited the internal financial controls with reference to standalone financial statements of HMA Agro Industries Limited (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

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

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

**Sd/-**  
**CA GYAN CHANDRA MISRA**  
**Partner**  
**Membership No. 078183**  
**UDIN: 23078183BGVUVI5522**  
**Date : 31-07-2023**  
**Place : Ghaziabad**



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

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

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

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

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

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

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

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

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

(e) As explained to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

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

(b) The company has not been sanctioned working capital limits in excess of ₹5 crores, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable. Although company is using purchase credit facility of ₹365 crores.

Amount in ₹Crores

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

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

S. No.	Company	Nature	As on 31 <sup>st</sup> March, 2023 Amount (in ₹ crores)
<b>Guarantee Given</b>			
1	United Farm Products Private Ltd (subsidiary of HMA Agro Industries Private Ltd)	Provided guarantee on behalf of its subsidiary company	65
<b>Loan provided</b>			
2	United Farm Products Private Ltd (subsidiary of HMA Agro Industries Private Ltd)	Provided unsecured loan	231.59
3	FNS Agro Foods Limited (subsidiary of HMA Agro Industries Private Ltd)	Provided unsecured loan	0.10
5	Indus Farmers Food Co. LLP	Provided unsecured loan	1.41
<b>Advances to related Party</b>			
6	Laal Agro Food Private Limited	In the nature of Advances	7.62
7	JFF Export Private Limited	In the nature of Advances	40.95
8	HMA Natural Foods Private Limited	In the nature of Advances	.055
9	HMA Food Export Private Limited	In the nature of Advances	13.60
10	Reliable agro foods	In the nature of Advances	0.96

- (b) According to the information and explanations given to us, the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prima facie prejudicial to the company's interest;
- (c) There is no stipulation of schedule of repayment of principal and payment of interest and therefore we are unable to comment on the regularity of repayment of principal & payment of interest.
- (d) Since the term of arrangement do not stipulate any repayment schedule we are unable to comment whether the amount is overdue or not.
- (e) No loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties except following:

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

- (f) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with except non-charging of interest on the loan.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the records made available to us, company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.

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

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

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

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

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

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

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

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

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

(f) In our opinion and according to the information and explanations given by the management, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) According to the information and explanations given by the management, the Group does not have any CIC as part of the Group.

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

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

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

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

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

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

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

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

**HMA Agro Industries Limited**

Balance Sheet as at March 31, 2023

(in ₹ Million)

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

**Significant accounting policies**

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

As per our report of even date attached.

**FOR MAPSS AND COMPANY**

Chartered Accountants

Firm's Registration Number: 012796C

1 - 2

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

CIN : U74110UP2008PLC034977

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

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

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

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

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

**HMA Agro Industries Limited****Statement of Profit and Loss for period ended March 31, 2023**

(in ₹ Million)

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

**Significant accounting policies**

1 - 2

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

As per our report of even date attached.

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

Sd/-

**CA Gyan Chandra Misra**  
Partner  
Membership Number: 078183  
Place : Ghaziabad  
Date : July 31, 2023For and on behalf of the Board of Directors of  
**HMA Agro Industries Limited**

CIN : U74110UP2008PLC034977

Sd/-

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

Sd/-

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

Sd/-

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

Sd/-

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

**HMA Agro Industries Limited**

Statement of cash flows for the year ended March 31, 2023

(in ₹ Million)

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

**Notes :**

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

As per our report of even date attached.

**FOR MAPSS AND COMPANY**

Chartered Accountants  
Firm's Registration Number: 012796C

Sd/-

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

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

CIN : U74110UP2008PLC034977

Sd/-

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

Sd/-

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

Sd/-

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

Sd/-

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

**HMA Agro Industries Limited**

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

**(A) Equity share capital**

(in ₹ Million)

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

**(B) Other equity**

(in ₹ Million)

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

**Nature and purpose of reserves**

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

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

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

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

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

As per our report of even date attached.

For and on behalf of the Board of Directors of

**FOR MAPSS AND COMPANY**

Chartered Accountants

Firm's Registration Number: 012796C

**HMA Agro Industries Limited**

CIN : U74110UP2008PLC034977

Sd/-

**CA Gyan Chandra Misra**

Partner

Membership Number: 078183

Place : Ghaziabad

Date : July 31, 2023

Sd/-

**Gulzar Ahmed**

Chairman

DIN : 01312305

Place : Agra

Date : July 31, 2023

Sd/-

**Wajid Ahmed**

Managing Director

DIN : 01312261

Place : Agra

Date : July 31, 2023

Sd/-

**Gulzeb Ahmed**

Chief Financial Officer

DIN: 0654660

Place : Agra

Date : July 31, 2023

Sd/-

**Nikhil Sundrani**

Company Secretary

Membership number : 53307

Place : Agra

Date : July 31, 2023

## HMA Agro Industries Limited

### Notes to the financial statements as at March 31, 2023

#### 1 Corporate information

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

#### Significant accounting policies

#### 2 Basis of preparation

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

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

#### 2.01 Property, plant and equipment

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

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

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

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

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

#### Depreciation

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

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

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

The estimated useful lives are as follows :

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

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

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

#### 2.03 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
  - ▶ Held primarily for the purpose of trading
  - ▶ Expected to be realised within twelve months after the reporting period, or
  - ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

## HMA Agro Industries Limited

### Notes to the financial statements as at March 31, 2023

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

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
  - ▶ It is held primarily for the purpose of trading
  - ▶ It is due to be settled within twelve months after the reporting period, or
  - ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
- The Company classifies all other liabilities as non-current.

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

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

#### 2.04 Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

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

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

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

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

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

#### 2.05 Revenue from contract with customers

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

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

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

##### Sale of products :

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

#### 2.06 Other income

##### Interest income:

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

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

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

## HMA Agro Industries Limited

### Notes to the financial statements as at March 31, 2023

#### 2.06 Other income (Continued)

##### Duty drawback :

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

#### 2.07 Inventories

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

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

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

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

#### 2.08 Taxes

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

##### Deferred Tax

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

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

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

Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### 2.10 Foreign Currency translation

##### Functional and Presentation currency

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

##### Transaction and balances

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

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

## HMA Agro Industries Limited

### Notes to the financial statements as at March 31, 2023

#### 2.11 Provisions and Contingent Liabilities

##### Provisions:

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

##### Contingent Liabilities:

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

#### 2.12 Financial Instruments

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

##### a. Non Derivative Financial Assets

###### Initial recognition and measurement

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

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

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

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

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

###### Subsequent measurement

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

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

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

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

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

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

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

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

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

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

## HMA Agro Industries Limited

### Notes to the financial statements as at March 31, 2023

#### 2.11 Financial Instruments (Continued)

##### Derecognition

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

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

##### Impairment of financial assets

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

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

#### **b. Non Derivative Financial Liabilities**

##### Initial recognition and measurement

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

##### Subsequent measurement

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

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

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

##### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **c. Derivative financial instruments**

##### Instruments in hedging relationship

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

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

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

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

##### Instruments not in hedging relationship

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

#### 2.13 Cash and Cash Equivalents

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

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

#### 2.14 Earnings Per Share

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

## HMA Agro Industries Limited

### Notes to the financial statements as at March 31, 2023

#### 2.15 Segment Reporting

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

##### Segment Policies

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

#### 2.16 Dividend

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

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

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

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

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

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

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

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

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

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

#### 2.18 Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

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

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

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

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

**(3) Property, plant and equipment**

(in ₹ Million)

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

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

**(4) Capital work in progress**

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

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

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

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

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

(in ₹ Million)

**(5) Investments**

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

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

Particulars	As at March 31, 2023	As at March 31, 2022					
<b>(6) Inventories</b>							
(Valued at lower of cost and net realisable value)							
Packing Materials	33.79	44.88					
Finished Goods	1,083.49	1,235.49					
Stores & Spares and Other Materials	9.92	37.84					
<b>Total Inventories</b>	<b>1,127.20</b>	<b>1,318.21</b>					
<b>(7) Trade receivables</b>							
Unsecured, considered good							
- Third Party	2,938.16	2,881.87					
- Related parties (Refer note 30)	53.91	-					
<b>Total trade receivables</b>	<b>2,992.07</b>	<b>2,881.87</b>					
<b>Ageing of Trade receivable</b>							
<b>March 31, 2023</b>							
<b>Particulars</b>	<b>Current but not due</b>	<b>Less than 6 Months</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
			<b>6 months – 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
<b>Trade receivables</b>							
(i) Undisputed Trade receivables – considered good	2,991.26	-	-	0.81	-	-	2,992.07
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,991.26</b>	<b>-</b>	<b>-</b>	<b>0.81</b>	<b>-</b>	<b>-</b>	<b>2,992.07</b>
<b>March 31, 2022</b>							
<b>Particulars</b>	<b>Current but not due</b>	<b>Less than 6 Months</b>	<b>Outstanding for following periods from due date of payment</b>				<b>Total</b>
			<b>6 months – 1 year</b>	<b>1-2 years</b>	<b>2-3 years</b>	<b>More than 3 years</b>	
<b>Trade receivables</b>							
(i) Undisputed Trade receivables – considered good	2,862.75	-	8.19	0.59	-	10.34	2,881.87
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>2,862.75</b>	<b>-</b>	<b>8.19</b>	<b>0.59</b>	<b>-</b>	<b>10.34</b>	<b>2,881.87</b>
<b>(8) Loans</b>							
<b>Non-current loans</b>							
Unsecured, considered good							
Loan to related party (Refer note 30)*	1,533.57	444.50					
<b>Total Non current Loan</b>	<b>1,533.57</b>	<b>444.50</b>					
*Loan to related parties are given at zero interest rate.							
<b>(9) Cash and cash equivalents</b>							
Cash in hand	11.96	21.59					
<b>Balance with banks</b>							
In current accounts	631.08	129.83					
Cheques in hand	8.09	13.55					
<b>Total cash and cash equivalents</b>	<b>651.13</b>	<b>164.97</b>					
<b>(10) Other bank balances</b>							
<b>Current</b>							
Bank Deposit with maturity less than twelve months*	18.51	225.26					
<b>Total current other bank balances</b>	<b>18.51</b>	<b>225.26</b>					
*Above deposits are provided as lien against borrowings taken from financial institutions.							
<b>(11) Other financial assets</b>							
<b>Non-current financial assets</b>							
Capital advances*	30.05	30.75					
Security deposits	6.30	6.23					
Bank Deposit provided as lien against borrowings**	228.40	240.97					
<b>Total non-current financial assets</b>	<b>264.75</b>	<b>277.95</b>					
*Pertains to advances given for purchase of immovable properties.							
**The Company has taken working capital demand loan against Fixed deposits as at March 31, 2023 : 228.40 million (March 31, 2022 : ₹240.97 million).							
<b>Current financial assets</b>							
Derivative asset - forward contract	-	29.14					
Security deposits	15.68	15.71					
<b>Total current financial assets</b>	<b>15.68</b>	<b>44.85</b>					
<b>(12) Deferred tax assets (net)</b>							
<b>Significant components of deferred tax assets (net)</b>							
<b>Deferred tax assets / (liabilities)</b>							
Difference between book and tax value of property, plant and equipment and intangible assets	15.59	17.15					
Gratuity	4.47	2.18					
Derivatives	50.83	(7.34)					
Others	(0.19)	(0.19)					
<b>Total Deferred tax assets</b>	<b>70.70</b>	<b>11.80</b>					
<b>Movements in deferred tax assets/(liabilities)</b>							
<b>Particulars</b>	<b>Property, plant &amp; equipment</b>	<b>Derivative liabilities</b>	<b>Gratuity</b>	<b>Others</b>	<b>Total</b>		
At April 01, 2021	10.28	-	-	-	10.28		
(Charged) / Credited							
- to profit or loss	6.87	(7.34)	2.39	(0.19)	1.73		
- to other comprehensive income	-	-	(0.21)	-	(0.21)		
<b>At March 31, 2022</b>	<b>17.15</b>	<b>(7.34)</b>	<b>2.18</b>	<b>(0.19)</b>	<b>11.80</b>		
(Charged) / Credited							
- to profit or loss	(1.56)	22.91	0.21	(0.00)	21.56		
- to other comprehensive income	-	35.26	2.08	-	37.34		
<b>At March 31, 2023</b>	<b>15.59</b>	<b>50.83</b>	<b>4.47</b>	<b>(0.19)</b>	<b>70.70</b>		

## HMA Agro Industries Limited

### Notes to the financial statements as at March 31, 2023

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

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

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

(a) Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Number of shares	Amount (In Rupees Million)	Number of shares	Amount (In Rupees Million)
<b>Equity shares</b>				
At the commencement of the year	47,512,875	475.13	3,726,500	37.27
Issued during the year	-	-	43,786,375	437.86
<b>At the end of the year</b>	<b>47,512,875</b>	<b>475.13</b>	<b>47,512,875</b>	<b>475.13</b>

Note:

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

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

(b) Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
<b>Equity shares of ₹10 each fully paid-up held by</b>				
Wajid Ahmed	15,204,120	32.00%	15,204,120	32.00%
Mohd Mehmood Qureshi	7,602,060	16.00%	7,602,060	16.00%
Mohd Ashraf Qureshi	7,602,060	16.00%	7,602,060	16.00%
Zulfikar Ahmed Qureshi	7,602,060	16.00%	7,602,060	16.00%
Gulzar Ahmad	7,602,060	16.00%	7,602,060	16.00%

(c) Details of shares held by promoters						
As at March 31, 2023						
Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year	
Wajid Ahmed	15,204,120	-	15,204,120	32%	-	
Mohd Mehmood Qureshi	7,602,060	-	7,602,060	16%	-	
Mohd Ashraf Qureshi	7,602,060	-	7,602,060	16%	-	
Zulfikar Ahmed Qureshi	7,602,060	-	7,602,060	16%	-	
Gulzar Ahmad	7,602,060	-	7,602,060	16%	-	
Praveez Alam	1,899,240	-	1,899,240	4%	-	
Gulzeeb Ahmad	1,275	-	1,275	0%	-	
<b>Total</b>	<b>47,512,875</b>	<b>-</b>	<b>47,512,875</b>	<b>100%</b>	<b>-</b>	

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year	
Wajid Ahmed	1,192,480	14,011,640.00	15,204,120	32%	-	
Mohd Mehmood Qureshi	596,240	7,005,820.00	7,602,060	16%	-	
Mohd Ashraf Qureshi	596,240	7,005,820.00	7,602,060	16%	-	
Zulfikar Ahmed Qureshi	596,240	7,005,820.00	7,602,060	16%	-	
Gulzar Ahmad	596,240	7,005,820.00	7,602,060	16%	-	
Praveez Alam	148,960	1,750,280.00	1,899,240	4%	-	
Gulzeeb Ahmad	100	1,175	1,275	0%	-	
<b>Total</b>	<b>3,726,500</b>	<b>43,786,375</b>	<b>47,512,875</b>	<b>100%</b>	<b>-</b>	

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

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

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

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

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

Particulars	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
Bonus shares issued (number of shares)	43,786,375	-	-	-	-
Amount capitalised (₹ in Millions)	437.87	-	-	-	-

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

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

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

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

\*\*Pertains to bill discounting with banks.

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(17) Trade payables</b>		
<b>Current trade payables</b>		
- Total outstanding dues of micro enterprise and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	632.37	445.46
- Related parties (Refer note 30)	40.87	205.11
<b>Total current trade payables</b>	<b>673.24</b>	<b>650.57</b>

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

Ageing of trade payable						
As at March 31, 2023						
Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	672.32	0.92	-	-	673.24
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>672.32</b>	<b>0.92</b>	<b>-</b>	<b>-</b>	<b>673.24</b>

Ageing of trade payable						
As at March 31, 2022						
Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	641.25	2.57	3.80	2.95	650.57
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>641.25</b>	<b>2.57</b>	<b>3.80</b>	<b>2.95</b>	<b>650.57</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(18) Other financial liabilities</b>		
<b>Non current financial liabilities</b>		
Credit liabilities from financial Guarantees	3.04	4.70
Derivative liability - forward contract (Measured at fair value through profit and loss)	5.39	-
<b>Total non current financial liabilities</b>	<b>8.43</b>	<b>4.70</b>
<b>Current financial liabilities</b>		
Derivative liability - forward contract (Measured at fair value through profit and loss)	196.61	-
Credit liabilities from financial Guarantees	0.87	0.79
Employee related obligations (Refer note 30 for related party balances)	4.31	18.90
Interest due and not paid	-	3.51
<b>Total current financial liabilities</b>	<b>201.79</b>	<b>23.20</b>

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

(in ₹ Million)

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

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

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

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**HMA Agro Industries Limited**

Notes to the financial statements as at March 31, 2023

(in ₹ Million)

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

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

### (29) Employee benefits

#### (a) Defined contribution plan

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

Particulars	(in ₹ Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to provident fund	3.66	6.43

Included in 'Contribution to provident fund under employee benefits expense (Refer Note 25)

#### (b) Defined benefit plans

##### Gratuity:

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

##### Actuarial Assumptions

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

##### Notes:

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

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

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

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

Reconciliation of present value of defined benefit obligation and the fair value of assets	(in ₹ Million)	
	Year ended March 31, 2023	Year ended March 31, 2022
Present value of funded obligation at the end of the year	17.76	8.66
Fair value of plan assets as at the end of the period	-	-
<b>Deficit or surplus plan</b>	<b>17.76</b>	<b>8.66</b>

Amount recognised in the statement of profit and loss	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	2.67	1.69
Past service cost	(2.43)	-
Interest cost	0.60	0.48
<b>Total expense recognised in the statement of profit and loss</b>	<b>0.84</b>	<b>2.17</b>

Amount recognised in other comprehensive income	Year ended March 31, 2023	Year ended March 31, 2022
<b>Remeasurements during the year due to</b>		
Changes in financial assumptions	(0.39)	(0.27)
Changes in demographic assumptions	-	-
Experience adjustments	8.65	(0.56)
Actual return on plan assets less interest on plan assets	-	-
<b>Amount recognised in other comprehensive income during the year</b>	<b>8.26</b>	<b>(0.83)</b>

**HMA Agro Industries Limited**

Notes to the financial statements as at March 31, 2023

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

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

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

**(30) Related party transactions****(a) Related parties**

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

**(b) Key managerial personnel**

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

**HMA Agro Industries Limited**

Notes to the financial statements as at March 31, 2023

**(30) Related party transactions (continued)****(c) Details of transactions with related parties**

(in ₹ Million)

Sr. No	Nature of Transaction	March 31, 2023	March 31, 2022
<b>A</b>	<b>Transactions</b>		
<b>1</b>	<b>Facility utilisation charges</b>		
	HMA Food Export Private Limited	-	30.00
	Federal Agro Industries Private Limited	-	60.00
	Reliable Agro foods	-	20.00
	Gausia Cold Storage	-	0.06
		-	-
<b>2</b>	<b>Cooling charges</b>		
	Reliable agro foods	208.35	-
	HMA Food Export Private Limited	390.63	-
		-	-
<b>3</b>	<b>Commission on sales</b>		
	Mohammad Ashraf Qureshi	12.81	36.69
		-	-
<b>4</b>	<b>Revenue from Operations</b>		
	HMA Leather Export Private Limited	42.61	2.27
	Federal Agro Industries Private Limited	1.73	8,735.95
	United Farm Products Private Limited	5.37	-
	Swastik Bone and Geatines Private Limited	0.15	-
	HMA Food Export Private Limited	0.05	-
	Black Gold Tanners	10.57	-
		-	-
<b>5</b>	<b>Purchase of finished goods and other consumables</b>		
		-	-
	Laal Agro Food Private Limited	1.51	0.42
	HMA Leather Export Private Limited	-	41.38
	Federal Agro Industries Private Limited	12,193.78	24.23
	United Farm Products Private Limited	1,186.43	-
		-	-
<b>6</b>	<b>Remuneration</b>		
	Gulzar Ahmad	18.00	16.50
	Zulfiqar Ahmad Qureshi	-	1.00
	Wajid Ahmed	18.00	16.50
	Mohammad Kamil Qureshi	18.00	16.50
	Gulzeb Ahmed	12.01	11.10
	Parvez Alam	18.00	16.50
	Mohammad Mehmood Qureshi	18.00	16.50
	Gulzair Ahmed	5.30	1.20
	Zainul Ahmad	-	1.20
	Gulam Habib	-	1.20
	Nikhil Sundrani	0.42	-
	Bhumika Parwani	0.02	-
		-	-
<b>7</b>	<b>Reimbursement of expense incurred on behalf of subsidiary</b>		
	Federal Agro Industries Private Limited	-	3.77
	HMA Leather Export Private Limited	-	0.36
	Gausia Cold Storage Pvt Ltd	-	4.16
		-	-
<b>8</b>	<b>Advance given to related parties</b>		
	JFF Export Private Limited	9.22	40.0
	Laal Agro Food Private Limited	1.88	1.14
	HMA Food Export Private Limited	904.87	-
	United Farm Products Private Limited	10.61	-
	Reliable Agro foods	495.65	-
	Swastik Bone and Geatines Private Limited	-	5.00
	HMA Natural Foods Private Limited	0.03	-
		-	-
<b>10</b>	<b>Advances received back from related parties</b>		
	HMA Hygienic Foods Industries Private Limited	-	0.75
	Laal Agro Food Private Limited	3.57	1.88
	United Farm Products Private Limited	1252.47	-
	HMA Leather Export Private Limited	-	43.01
	Reliable Agro foods	488.50	-
	Swastik Bone and Geatines Private Limited	-	1.23
	HMA Food Export Private Limited	914.01	-

**HMA Agro Industries Limited**

Notes to the financial statements as at March 31, 2023

Sr. No	Nature of Transaction	March 31, 2023	March 31, 2022
<b>11</b>	<b>Loan given</b>		
	United Farm Products Private Limited	2,315.88	328.61
	FNS Agro Foods Limited	1.00	0.09
	Reliable agro foods	-	17.62
	Indus Farmers Food Co. LLP	14.05	4.90
		-	-
<b>12</b>	<b>Loan received back</b>		
	United Farm Products Private Limited	0.00	13.46
		-	-
<b>13</b>	<b>Borrowings taken from related parties</b>		
	Mohammad Ashraf Qureshi	-	16.17
	Wajid Ahmed	-	1.00
		-	-
<b>14</b>	<b>Borrowings repaid to related parties</b>		
	Wajid Ahmed	-	4.39
	Mohammad Kamil Qureshi	-	2.89
	Gulzeb Ahmed	-	1.80
	Mohammad Ashraf Qureshi	-	68.95
		-	-
<b>15</b>	<b>Dividend Paid</b>		
	Zulfiqar Ahmed Qureshi	15.21	-
	Mohammad Ashraf Qureshi	15.21	-
	Mohammad Mehmood Qureshi	15.21	-
	Wajid Ahmed	30.39	-
	Gulzar Ahmad	15.21	-
	Parvez Alam	3.80	-
	Gulzeb Ahmed*	0.00	-
		-	-
<b>16</b>	<b>Guarantee given for subsidiary company</b>		
	United Farm Products Private Limited	-	650.00
		-	-
<b>17</b>	<b>Guarantee given on behalf of the Company</b>		
	Taj View Builder and Promoters Private Limited	2,400.00	2,400.00
	Taj View Construction Private Limited	2,400.00	2,400.00
	Federal Agro Industries Private Limited	2,400.00	2,400.00
	Agra Better Homes LLP	1,250.00	1,250.00
	HMA Food Export Private Limited	2,400.00	2,400.00
	Gulzar Ahmad	3,650.00	3,650.00
	Zulfiqar Ahmad Qureshi	3,650.00	3,650.00
	Mohammad Ashraf Qureshi	2,400.00	2,400.00
	Wajid Ahmed	3,650.00	3,650.00
	Mohammad Kamil Qureshi	2,400.00	2,400.00
	Gulzeb Ahmed	3,650.00	3,650.00
	Zakiya Qureshi	3,650.00	3,650.00
	Parvez Alam	2,400.00	2,400.00
	Nafees Begaum	2,400.00	2,400.00
	Mohammad Mehmood Qureshi	2,400.00	2,400.00
		-	-
<b>18</b>	<b>Guarantee commission</b>		
	United Farm Products Private Limited	0.79	0.77
		-	-

\*Amount less than Rupee one million.

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

**HMA Agro Industries Limited**

Notes to the financial statements as at March 31, 2023

**(30) Related party transactions (continued)**

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

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

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

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

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

**(31) Fair value measurement**

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

(in ₹ Million)			
At fair value through profit and loss	Level	March 31, 2023	March 31, 2022
<b>Assets</b>			
Derivative asset - Forward contract receivable	2	-	29.14
<b>Total assets</b>		-	<b>29.14</b>
<b>Liabilities</b>			
Derivative liabilities - Forward contract payables	2	61.90	-
<b>Total liabilities</b>		<b>61.90</b>	-
(in ₹ Million)			
At fair value through other comprehensive income	Level	March 31, 2023	March 31, 2022
<b>Liabilities</b>			
Derivative liabilities - Forward contract payables	2	140.10	-
<b>Total liabilities</b>		<b>140.10</b>	-
(in ₹ Million)			
At amortised cost		March 31, 2023	March 31, 2022
<b>Assets</b>			
Trade receivables		2,992.07	2,881.87
Cash and cash equivalents		651.13	164.97
Other bank balances		18.51	225.26
Investment		728.80	728.80
Loan		1,533.57	444.50
Other financial assets		280.43	293.66
<b>Total assets</b>		<b>6,204.51</b>	<b>4,739.05</b>
<b>Liabilities</b>			
Borrowings		2,856.36	2,651.65
Trade payables		673.24	650.57
Other financial liabilities		8.23	27.90
<b>Total liabilities</b>		<b>3,537.83</b>	<b>3,330.12</b>

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

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

### (32) Financial risk management framework

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

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

#### a). Credit risk

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

#### Trade and other receivables

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

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

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

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

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

#### Loans

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

#### Other financial assets

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

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

#### b). Liquidity risk

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

#### Maturities of financial liabilities

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

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

**HMA Agro Industries Limited**

Notes to the financial statements as at March 31, 2023

**(32) Financial risk management framework (continued)****(c). Market risk**

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – that will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of derivative used to cover forecasted sales and outstanding foreign debtors. Thus, the exposure to market risk is a function of borrowing activities and revenue generating, operating activities in foreign currency.

**(d). Currency risk**

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

**Exposure to currency risk**

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

**As at March 31, 2023**

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

**As at March 31, 2022**

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

**Sensitivity analysis**

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

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

**Derivative financial instruments and hedging activities**

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

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

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

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

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

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

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

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

(in ₹ Million)

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

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

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

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

(in ₹ Million)

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

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

#### (ii). Interest rate risk

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

#### Exposure to interest rate risk

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

#### (iii). Capital risk management

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

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

(in ₹ Million)

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

#### Loan covenants

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

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

articulars	March 31, 2023	March 31, 2022	Interest rate	Repayment Period	Secured against
L-1	1,606.42	1,947.23	3.50%	On Completion of tenure of the WCDL facility	<p>1. Hypothecation of Raw materials, Book debts, Finished goods, Fixed deposits and personal guarantee of Directors and its related parties including other Group Companies where promoters are directors.</p> <p>2. Collateral Properties :</p> <p>I. Property in the name of Company :</p> <p>i. Property -1 (Non-agriculture land) an area of 1.1720 Hectare out of 2.3440 Khasra no. 65, situated at Mauza Sawai Tehsil Etmadpur District Agra</p> <p>ii. Property -2 (Non agricultural land) Non agricultural land 1/2 share of khasra no. 67 an area of 1.6595 Hectare out of 3.3190 Hectare, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Taj view Builder and Promoters P Limited</p> <p>iii. Property - 3 (Non agricultural land) Non agricultural land an area of 3.5090 Hectare of Khasra no. 78, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Tajview Construction Pvt Ltd</p> <p>iv. Property - 4 (Non agricultural land) Non agricultural land an area of 1.7660 Hectare of Khasra no. 84/2, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Taj view Construction Pvt Ltd</p> <p>v. Property - 5 (Residential flat) - All that Piece and Parcel of Property bearing Flat No. 04, area measuring 75.71 Sq. mtrs, on third floor, in Plot No. 1, built on property no.2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P</p> <p>vi. Property - 6 (Industrial land &amp; building) All that Piece and Parcel of Property bearing land area measuring 0.461 hectare out of total land admeasuring 0.6910 hectare in Khasra/Gata No. 287Min, situated at Village Kuberpur, Tehsil- Etmadpur, Agra, U.P. (Owned by Mr. Mohammad Mehmood Qureshi and Mr. Mohammad Kamil Qureshi)</p> <p>Property - 7 (Industrial land &amp; building) All that Piece and Parcel of Property bearing land area \ measuring 0.7830 hectare in Khasra/ Gata No. 287Min, situated at Village Kuberpur, Tehsil-Etmadpur, Agra, U.P.</p> <p>viii. Property - 8 (Industrial land &amp; building) All that piece and parcel of Property bearing total land area measuring 0.5747 hectare (land area measuring 0.387 hectare out of land area 0.4686 hectare earlier owned by Shri Deepak Bansal &amp; Shri Vikas Bansal AND land area measuring 0.1877 hectare out of land area 0.423 hectare earlier owned by Smt. Poonam Agarwal) in Khasra/Gata No. 293Min, situated at Village Kuberpur, Tehsil-Etmadpur, Agra, Owned by M/s H.M.A Food Export Pvt Ltd</p> <p>ix. Property - 9 (Industrial land &amp; building) All that Piece and Parcel of Property bearing total land area measuring 2.029 hectare in Khasra/Gata No. 293Min (0.703 hectare), 295Min (0.933 hectare), 297Min (0.392 hectare) situated at Village Kuberpur, Tehsil-Etmadpur, Agra, U.P.</p> <p>x. Property - 10 (Commercial/Shop) All that Piece and Parcel of Property bearing Shop No. 02, area measuring 68.39 Sq. mtrs, on second floor, in Plot No. 1, built on property no. 2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P.</p> <p>xi. Property - 11 (Commercial/Shop) All that Piece and Parcel of Property bearing Shop No. 03, area measuring 63.17 Sq. mtrs, on first floor, in Plot No. 1, built on property no. 2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P.</p> <p>xii. Property - 12 (Industrial land &amp; building) Exclusive charge of Land and Building situated at Village Behra , Barwala Road, dera Bassi, Distt Pataila Punjab measuring 72 Bighas 17 Biswas 1E 18.30 acres owned By Federal Agro Industries Ltd</p> <p>xiii. Property - 13 (Industrial land &amp; building) Exclusive charge of Land and Boundary wall situated at Village Behra , Barwala Road, dera Bassi, Distt Mohali Punjab measuring 7 bigha 18 biswa owned by Federal Agro Industries Ltd</p> <p>xiv. Property - 14 (Residential/Commercial/Industrial Land &amp; Building) Exclusive charge on additional property of ₹150 Mn to be provided for enhancement above the existing exposure of Rs 1700 Mn. Same may be replaced with FD of ₹150 Mn till the time security is not provided.</p> <p>2. Personal Guarantee of : Gulzar Ahmed, Mohammad Ashraf Qureshi, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Mohammad Kamil Qureshi, Gulzeeb Ahmed, Zakiya Qureshi, Qureshi, Parvez Alam, Nafees Begaum, Mohammad Mehmood Qureshi</p> <p>3. Corporate Guarantees of - Taj view Builder and Promoters Private Limited Taj view Construction Private Limited HMA Food Export Private Limited Federal Agro Industries Private Limited</p> <p>4. Lien on Fixed Deposits(FD) of ₹50 Million only</p>
L-2	1249.94	704.42	3.25%	On Completion of tenure of the WCDL facility i.e. October 30, 2022 and subject to renewal	<p>1. First Pari passu charge on the Current assets (Raw materials, Book debts, Finished goods) of the borrower both present and future.</p> <p>2. Exclusive charge over residential and commercial property being part of property no.95 and old no. 51 and present Nagar Nigam no. 2/200 situated at Surya Nagar (civil line), Hari Parwat ward Tehsil &amp; Dist. Agra in the name of Agra better home LLP</p> <p>3. Unconditional and Irrevocable personal guarantee of Gulzar Ahmed, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Gulzeb Ahmed and Zakiya Qureshi to remain valid during entire tenor of facility.</p> <p>4. Unconditional and Irrevocable personal/corporate guarantee of collateral owner to remain valid during entire tenor of facility.</p>
L-3	-	-	NA	Payable on demand	Unsecured Loans given by directors are repayable with no interest rate.
<b>Total</b>	<b>2,856.36</b>	<b>2,651.65</b>			

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

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

**HMA Agro Industries Limited**

Notes to the financial statements as at March 31, 2023

**(34) Ratio Analysis and its elements**

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

Note :

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

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

### (35) Earnings per share

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit attributable to the equity holders of the Company (in ₹ Millions)	1,373	1,104
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	28.90	23.24
- Diluted	28.90	23.24
Face value per equity share (₹)	10.00	10.00

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

### (36) Income tax expense

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

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

(in ₹ Million)

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

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

(in ₹ Million)

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

### (37) Segment reporting

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

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

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

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

#### Revenue from operations

(in ₹ Million)

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

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

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

(in ₹ Million)

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

## HMA Agro Industries Limited

Notes to the financial statements as at March 31, 2023

### (38) Commitments and contingent liabilities

(in ₹ Million)

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

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

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

### (39) Corporate social responsibility

(in ₹ Million)

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

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

(in ₹ Million)

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

### (41) Subsequent event :

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

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

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

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

### (45) Other Statutory Information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

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

### FOR MAPSS AND COMPANY

Chartered Accountants  
Firm's Registration Number: 012796C

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

CIN: U74110UP2008PLC034977

Sd/-  
**CA Gyan Chandra Misra**

Partner  
Membership Number: 078183  
Place : Ghaziabad  
Date : July 31, 2023

Sd/-  
**Gulzar Ahmed**

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

Sd/-  
**Wajid Ahmed**

Managing Director  
DIN : 01312261  
Place : Agra

Sd/-  
**Gulzeb Ahmed**

Chief Financial Officer  
DIN: 0654660  
Place : Agra

Sd/-  
**Nikhil Sundrani**

Company Secretary  
Membership number : 53307  
Place : Agra

**MAPSS AND COMPANY**

CHARTERED ACCOUNTANTS  
C-40, Second Floor, Ten Tower  
Above Indian Bank, Sec-15,  
Vasundhara, Ghaziabad-201012  
Tel: 0120-4166486  
Email: gpa001@gmail.com



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of HMA Agro Industries Limited

### **Opinion**

We have audited the accompanying Consolidated financial statements of HMA Agro Industries Limited ("the Group Companies"), which comprise the balance sheet as at March 31, 2023, the statement of Profit and Loss (including Other Comprehensive Income), the statement of changes in equity and the statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the group as at March 31, 2023 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements of the current period.

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

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

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

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

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

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

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Group Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with the accounting principles generally accepted in India, including the Accounting Standards (AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates

that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated financial statements, management is responsible for assessing the group ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the group so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act subject to the matters specified in key audit matters and other matters.
  - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the group's internal financial controls with reference to Consolidated financial statements.
  - g) With respect to the matter to be included in the Auditor's Report in accordance with requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the information and explanations given to us, the remuneration paid by the group to its directors during the current year is in accordance with the provisions of section 197 of the Act.
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements. Refer Note no. 38 to the consolidated financial statements.
    - ii. The group has not made any provision against the pending litigation as the group believes that these claims are not tenable and hence no provisioning made by the group.
    - iii. There were no amounts as on 31<sup>st</sup> March 2023, which were required to be transferred to the Investor Education and Protection Fund by the group.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the group from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and  
(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
    - v. As stated in note 2.16 to the accompanying standalone financial statement, the Board of Directors of the company has recognizes a liability to pay dividend to equity holders of the parent when the distribution is authorized, and the distribution is no longer at the discretion of the company. As per corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity. Company has declared and paid dividend during the period under review.
    - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the group with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Sd/-  
**CA GYAN CHANDRA MISRA**  
Partner  
Membership No. 078183  
UDIN: 23078183BGVUVJ2049  
Date: 31-07-2023  
Place: Ghaziabad

HMA AGRO GROUP  
Consolidated Balance sheet as at March 31, 2023

(in ₹ Million)

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

**Significant accounting policies**

1 - 2

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

As per our report of even date attached.

**FOR MAPSS AND COMPANY**

Chartered Accountants

Firm's Registration Number: 012796C

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

CIN: U74110UP2008PLC034977

Sd/-

**CA Gyan Chandra Misra**

Partner

Membership Number: 078183

Place : Ghaziabad

Date : July 31, 2023

Sd/-

**Gulzar Ahmad**

Chairman

DIN : 01312305

Place : Agra

Date : July 31, 2023

Sd/-

**Wajid Ahmed**

Managing Director

DIN : 01312261

Place : Agra

Date : July 31, 2023

Sd/-

**Nikhil Sundrani**

Company Secretary

Membership number : 53307

Place : Agra

Date : July 31, 2023

Sd/-

**Gulzeb Ahmed**

Chief financial officer

DIN : 06546660

Place : Agra

Date : July 31, 2023

## HMA AGRO GROUP

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

(in ₹ Million)

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

**Significant accounting policies**

1 - 2

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

As per our report of even date attached.

**FOR MAPSS AND COMPANY**

Chartered Accountants

Firm's Registration Number: 012796C

Sd/-

**CA Gyan Chandra Misra**

Partner

Membership Number: 078183

Place : Ghaziabad

Date : July 31, 2023

For and on behalf of the Board of Directors of

**HMA Agro Industries Limited**

CIN: U74110UP2008PLC034977

Sd/-

**Gulzar Ahmad**

Chairman

DIN : 01312305

Place : Agra

Date : July 31, 2023

Sd/-

**Wajid Ahmed**

Managing Director

DIN : 01312261

Place : Agra

Date : July 31, 2023

Sd/-

**Nikhil Sundrani**

Company Secretary

Membership number : 53307

Place : Agra

Date : July 31, 2023

Sd/-

**Gulzeb Ahmed**

Chief financial officer

DIN : 06546660

Place : Agra

Date : July 31, 2023

**HMA AGRO GROUP**  
**Consolidated statement of cash flows for the year ended March 31, 2023**

(in ₹ Million)

Particulars	Year ended March 31,2023	Year ended March 31,2022
<b>(A) Cashflows from operating activities</b>		
Profit before tax	1,735.53	1,586.12
<b>Adjustment for:</b>		
Depreciation and amortization	176.42	106.67
Liabilities no longer required written back	-	(18.19)
Unrealised Fair value (gain)/loss on forward contracts (net)	91.04	(29.14)
Interest expenses	110.63	63.45
Interest on bank deposits	(64.14)	(19.96)
Profit on sale of assets (net)	(0.51)	(0.05)
Unrealised foreign exchange loss/(gain) (net)	(24.29)	(441.90)
<b>Operating cash flow before working capital changes</b>	<b>2,024.68</b>	<b>1,247.00</b>
<b>Adjustment for changes in working capital:</b>		
(Increase) in trade receivables	(63.06)	(888.91)
Decrease /(Increase) in inventories	82.08	(99.32)
(Increase) in other financial assets	(24.12)	(2.88)
(Increase) in other assets	(151.52)	(42.91)
Increase in trade payables	75.55	32.37
(Decrease) in other financial liabilities	(14.06)	(30.58)
Increase in current and non-current provisions	12.89	4.81
(Decrease) in other current liabilities	(89.12)	(72.73)
<b>Cash generated from operations</b>	<b>1,853.32</b>	<b>146.85</b>
Taxes paid (net of refunds)	(492.11)	(466.49)
<b>Net cashflows from operating activities</b>	<b>1,361.21</b>	<b>(319.64)</b>
<b>(B) Cashflows from investing activities</b>		
Purchase of property, plant and equipment and capital work in progress	(1,088.72)	(819.66)
Capital advances paid	(9.05)	134.85
Payment towards acquisition of business, net of cash acquired (Refer note 34)	-	(362.37)
Movement in bank deposits with maturity greater than 3 months (net)	201.80	(408.45)
Interest received on fixed deposit	64.14	20.46
<b>Net cashflows from investing activities</b>	<b>(831.83)</b>	<b>(1,435.17)</b>
<b>(C) Cashflows from financing activities</b>		
Borrowings (net)	133.01	1,479.22
Government grants received	50.00	-
Interest paid	(113.60)	(55.98)
Dividend paid	(95.03)	-
<b>Net cashflows from financing activities</b>	<b>(25.62)</b>	<b>1,423.24</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>503.76</b>	<b>(331.57)</b>
Cash and cash equivalents at the beginning of the year	185.28	516.85
<b>Cash and cash equivalents at the end of the year</b>	<b>689.04</b>	<b>185.28</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash in hand	28.46	24.32
Balance with banks:		
- In current accounts	651.85	147.31
- Cheque in hand	8.48	13.55
- In fixed deposit account with original maturity of 3 months or less	0.25	0.10
<b>Total cash and cash equivalents</b>	<b>689.04</b>	<b>185.28</b>

**Notes :**

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

As per our report of even date attached.

**FOR MAPSS AND COMPANY**

Chartered Accountants

Firm's Registration Number: 012796C

Sd/-

**CA Gyan Chandra Misra**

Partner

Membership Number: 078183

Place : Ghaziabad

Date : July 31, 2023

UDIN :

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

CIN: U74110UP2008PLC034977

Sd/-

**Gulzar Ahmad**

Chairman

DIN : 01312305

Place : Agra

Date : July 31, 2023

Sd/-

**Wajid Ahmed**

Managing Director

DIN : 01312261

Place : Agra

Date : July 31, 2023

Sd/-

**Nikhil Sundrani**

Company Secretary

Membership number : 5330

Place : Agra

Date : July 31, 2023

Sd/-

**Gulzeb Ahmed**

Chief financial officer

DIN : 06546660

Place : Agra

Date : July 31, 2023

## HMA AGRO GROUP

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

## (A) Equity share capital

(in ₹ Million)

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

## (B) Other equity

(in ₹ Million)

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

## Nature and purpose of reserves

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

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

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

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

## Significant accounting policies

1 - 2

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

As per our report of even date attached.

For and on behalf of the Board of Directors of

**FOR MAPSS AND COMPANY**

Chartered Accountants

Firm's Registration Number: 012796C

**HMA Agro Industries Limited**

CIN: U74110UP2008PLC034977

Sd/-  
**CA Gyan Chandra Misra**  
Partner  
Membership Number: 103145  
Place : Ghaziabad  
Date : July 31, 2023  
UDIN :

Sd/-  
**Gulzar Ahmad**  
Chairman  
DIN : 01312305  
Place : Agra  
Date : July 31, 2023

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

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

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

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****1 Corporate information**

HMA Agro Industries Limited ("the Group") is domiciled and incorporated in India and it is an unlisted Group. The registered office of the Group is situated at 18A-5-3 Taj view Crossing, Fatehabad Road, Agra – 282 001, Uttar Pradesh. The Group is engaged in the business of Manufacturing and exporting of Buffalo Frozen Meat and Meat Products operating in State of Uttar Pradesh, Punjab, Haryana, Rajasthan, Bihar and Maharashtra. The Consolidated Financial Statements of the Group for the year ended March 31, 2023 were approved and authorized for issue by board of directors in their meeting held on July 31, 2023.

**Significant accounting policies followed by Group****2 Basis of preparation**

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

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

**Basis of Consolidation**

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**2.01 Business Combination**

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

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

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

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

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

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

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

**2.02 Property, plant and equipment**

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost includes its purchase price including non-refundable taxes and 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 The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

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

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

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

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****Depreciation**

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

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

The estimated useful lives are as follows :

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

**2.03 Impairment of property, plant and equipment**

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

**2.03 Accounting for Joint Operations**

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

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

**2.04 Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The Group classifies all other liabilities as non-current.

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

**2.05 Fair value measurement**

The Group measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amount approximates fair value 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)

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****2.06 Revenue from contract with customers**

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

Revenue from inter-Group arrangement is recognised based on transaction price which is at arm's length based on transfer pricing arrangement. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

**Sale of products :**

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

**2.07 Other income :****Interest income:**

Interest income is recognised using effective interest rate method.

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

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

**Duty drawback**

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

**2.08 Inventories**

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

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

- ▶ Finished goods : cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on first in, first out basis.
- ▶ Packing material and stores & spares : cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

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

**2.09 Taxes**

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

**Deferred Tax**

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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

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

**2.10 Borrowing Cost :**

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

**2.11 Employee Benefits :**

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

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

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****2.12 Provisions and Contingent Liabilities****Provisions:**

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

**Contingent Liabilities:**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

**2.13 Financial Instruments**

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

Financial assetsInitial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are attributable to the acquisition of financial asset. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section 2.06 for Revenue from contracts with customers.

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

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

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

Subsequent measurement

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

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

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative forwards which the Group has taken to hedge its foreign exchange reserves. Gain/loss on such transactions are recognised in the statement of profit and loss on every reporting period.

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****2.13 Financial Instruments (continued)****Derecognition**

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

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

**Impairment of financial assets**

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

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

**Financial liabilities****Initial recognition and measurement**

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

**Subsequent measurement**

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

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

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**c. Derivative Financial Instruments****Instruments in hedging relationship**

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

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

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

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

**Instruments not in hedging relationship**

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

**2.14 Government Grants**

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

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****2.15 Cash and Cash Equivalents**

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

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

**2.16 Earnings Per Share**

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

**2.17 Segment Reporting**

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

**Segment Policies**

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

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

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

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

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

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

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

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

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

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

## HMA AGRO GROUP

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

## (3) Property, plant and equipment

(in ₹ Million)

Particulars	Land (Freehold)	Building	Vehicles	Plant and Machinery	Office Equipment	Total
<b>Gross carrying amount</b>						
As at April 01, 2022	667.36	450.39	64.02	569.57	27.41	1,778.75
Additions	0.66	353.64	52.89	822.78	151.31	1,381.28
Disposals	-	-	(4.06)	(3.47)	-	(7.53)
<b>As at March 31, 2023</b>	<b>668.02</b>	<b>804.03</b>	<b>112.85</b>	<b>1,388.88</b>	<b>178.72</b>	<b>3,152.50</b>
<b>Accumulated depreciation</b>						
As at April 01, 2022	-	70.75	42.22	252.63	11.80	377.40
Charge for the year	-	52.80	11.80	96.82	15.00	176.42
On disposals	-	-	-	-	-	-
<b>As at March 31, 2023</b>	<b>-</b>	<b>123.55</b>	<b>54.02</b>	<b>349.45</b>	<b>26.80</b>	<b>553.82</b>
<b>Net carrying amount as at March 31, 2023</b>	<b>668.02</b>	<b>680.48</b>	<b>58.83</b>	<b>1,039.43</b>	<b>151.92</b>	<b>2,598.68</b>
<b>Gross carrying amount</b>						
As at April 01, 2021	425.62	214.83	54.04	479.53	17.96	1,191.98
On account of business combination (Refer note 34)	241.48	213.58	2.37	87.02	1.32	545.77
Additions	0.26	24.08	7.61	7.28	8.13	47.36
Disposals	-	(2.10)	-	(4.26)	-	(6.36)
<b>As at March 31, 2022</b>	<b>667.36</b>	<b>450.39</b>	<b>64.02</b>	<b>569.57</b>	<b>27.41</b>	<b>1,778.75</b>
<b>Accumulated depreciation</b>						
As at April 01, 2021	-	42.32	34.75	188.91	6.81	272.79
Charge for the year	-	28.43	7.47	65.78	4.99	106.67
On disposals	-	-	-	(2.06)	-	(2.06)
<b>As at March 31, 2022</b>	<b>-</b>	<b>70.75</b>	<b>42.22</b>	<b>252.63</b>	<b>11.80</b>	<b>377.40</b>
<b>Net carrying amount as at March 31, 2022</b>	<b>667.36</b>	<b>379.64</b>	<b>21.80</b>	<b>316.94</b>	<b>15.61</b>	<b>1,401.35</b>

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

## (3.1) Capital work in progress

(in ₹ Million)

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

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

Capital work-in-progress includes :

(in ₹ Million)

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

Ageing of projects in progress

(in ₹ Million)

March 31, 2023	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	581.84	-	-	-	581.84
<b>Total</b>	<b>581.84</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>581.84</b>
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
<b>Total</b>	<b>780.00</b>	<b>136.39</b>	<b>-</b>	<b>-</b>	<b>916.39</b>

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

**HMA AGRO GROUP**  
**Notes to Consolidated Financial statements for the year ended March 31, 2023**

(4) **Goodwill on consolidation**

(in ₹ Million)

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

**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 ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2021
HMA Food Export Private Limited	6.23	6.23
<b>Total</b>	<b>6.23</b>	<b>6.23</b>

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

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

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## HMA AGRO GROUP

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

(in ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(5) Inventories</b> (Valued at lower of cost and net realisable value)		
Packing Materials	33.81	44.88
Finished Goods	1,177.70	1,284.81
Stores & Spares and Other Materials	74	37.84
<b>Total Inventories</b>	<b>1,285.45</b>	<b>1,367.53</b>
<b>(6) Trade receivables :</b>		
Considered good - Unsecured		
- Third Party	2,942.80	2,897.46
- Related parties (Refer note 28)	42.02	-
<b>Total trade receivables</b>	<b>2,984.82</b>	<b>2,897.46</b>

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

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

March 31, 2023

(in ₹ Million)

Particulars	Current but not due	Less than 6 Months	Outstanding for following periods from due date of payment				Total
			6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade receivables</b>							
Undisputed Trade receivables – considered good	2,954.51	-	-	29.50	0.81	-	2,984.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	<b>2,954.51</b>	-	-	<b>29.50</b>	<b>0.81</b>	-	<b>2,984.82</b>

March 31, 2022

(in ₹ Million)

Particulars	Current but not due	Less than 6 Months	Outstanding for following periods from due date of payment				Total
			6 months – 1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade receivables</b>							
Undisputed Trade receivables – considered good	2,862.94	-	23.58	0.59	10.35	-	2,897.46
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	<b>2,862.94</b>	-	<b>23.58</b>	<b>0.59</b>	<b>10.35</b>	-	<b>2,897.46</b>

**(7) Other bank balances**

(in ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Bank Deposit with maturity less than twelve months*	49.68	254.94
	<b>49.68</b>	<b>254.94</b>

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

**(8) Cash and cash equivalents**

(in ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash on hand	28.46	24.32
<b>Balances with banks</b>		
In current accounts	651.85	147.31
Cheque in hand	8.48	13.55
In fixed deposit account with original maturity of 3 months or less	0.25	0.10
<b>Total cash and cash equivalents</b>	<b>689.04</b>	<b>185.28</b>

**(9) Other financial assets**

(in ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Non-current financial assets</b>		
Capital advances*	30.05	30.75
Security deposit	46.77	40.15
Bank deposit provided as lien against borrowings**	262.88	259.41
<b>Total non-current financial assets</b>	<b>339.70</b>	<b>330.31</b>

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

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

**Current financial assets**

(in ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Derivative asset - forward contract (Measured at fair value through profit and loss)	-	29.14
Interest accrued but not due on bank deposits	18.22	-
Security deposit	15.68	15.71
<b>Total current financial assets</b>	<b>33.90</b>	<b>44.85</b>

## HMA AGRO GROUP

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

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

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

		(in ₹ Million)			
Particulars		As at March 31, 2023		As at March 31, 2022	
<b>(11) Other assets</b>					
<b>Non-Current assets</b>					
Capital advances*		431.75		422.70	
<b>Total non-current assets</b>		<b>431.75</b>		<b>422.70</b>	

\*The Company has provided advances against the purchase of immovable property and awaiting clearance from authorities. There are no other commitments payable in respect of these capital advances.

<b>Current assets</b>					
Prepaid expenses*		41.32		25.64	
Advance to employees		1.38		-	
Advances to supplier		228.46		305.52	
Advances to related parties (Refer note 28)		0.01		-	
Balance with government authorities		496.99		285.88	
Duty drawback receivable		15.46		15.06	
<b>Total current assets</b>		<b>783.62</b>		<b>632.10</b>	

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

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

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

		(in ₹ Million)			
Particulars		As at March 31, 2023		As at March 31, 2022	
		Number of shares	Amount	Number of shares	Amount
<b>Equity shares</b>					
At the commencement of the year				3,726,500	
Issued during the year (Refer note below)		47,512,875		43,786,375	
<b>At the end of the year</b>		<b>47,512,875</b>		<b>47,512,875</b>	

## Note :

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

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

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

		As at March 31, 2023		As at March 31, 2022	
Particulars		% of total shares in the class	Number of shares	% of total shares in the class	Number of shares
<b>Equity shares of Rs. 10 each fully paid-up held by</b>					
Wajid Ahmed		32.00%	15,204,120	32.00%	15,204,120
Mohd Ashraf Qureshi		16.00%	7,602,060	16.00%	7,602,060
Mohd Mehmood Qureshi		16.00%	7,602,060	16.00%	7,602,060
Zulfikar Ahmed Qureshi		16.00%	7,602,060	16.00%	7,602,060
Gulzar Ahmad		16.00%	7,602,060	16.00%	7,602,060

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****(c) Details of shares held by promoters****As at March 31, 2023**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Wajid Ahmed	15,204,120	-	15,204,120	32%	-
Mohd Ashraf Qureshi	7,602,060	-	7,602,060	16%	-
Mohd Mehmood Qureshi	7,602,060	-	7,602,060	16%	-
Zulfiqar Ahmed Qureshi	7,602,060	-	7,602,060	16%	-
Gulzar Ahmad	7,602,060	-	7,602,060	16%	-
Praveez Alam	1,899,240	-	1,899,240	4%	-
Gulzeab Ahmad	1,275	-	1,275	0%	-
<b>Total</b>	<b>47,512,875</b>	<b>-</b>	<b>47,512,875</b>	<b>100%</b>	<b>-</b>

**As at March 31, 2022**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Wajid Ahmed	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%	-
Zulfiqar Ahmed Qureshi	596,240	7,005,820	7,602,060	16.00%	-
Gulzar Ahmad	596,240	7,005,820	7,602,060	16.00%	-
Praveez Alam	148,960	1,750,280	1,899,240	4.00%	-
Gulzeab Ahmad	100	1,175	1,275	0.00%	-
<b>Total</b>	<b>3,726,500</b>	<b>43,786,375</b>	<b>47,512,875</b>	<b>100%</b>	<b>-</b>

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

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

- (e) There were no shares allotted pursuant to contract without payment being received in cash or any shares bought back.
- (f) There are no unpaid calls from any director or officer.
- (g) No dividend is declared by the Company during the year ended March 31, 2023 and year ended March 31, 2022.
- (h) Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

Particulars	As at March 31, 2022	As at March 31, 2021
Bonus shares issued (number of shares)	43,786,375	-
Amount capitalised (Rs in Millions)	437.66	-

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**HMA AGRO GROUP**  
**Notes to Consolidated Financial statements for the year ended March 31, 2023**

(in ₹ Million)

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

(in ₹ Million)

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

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

\*\*Pertains to bill discounting with banks

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

(in ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>(15) Trade payables</b>		
<b>Current trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (Refer note below)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	840.78	770.88
- Related parties (Refer note 28)	29.32	23.67
<b>Total current trade payables</b>	<b>870.10</b>	<b>794.55</b>

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

**Ageing of Trade payables**

March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	859.67	8.01	2.28	0.14	870.10
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	-	<b>859.67</b>	<b>8.01</b>	<b>2.28</b>	<b>0.14</b>	<b>870.10</b>

March 31, 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	785.23	2.57	3.80	2.95	794.55
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	-	<b>785.23</b>	<b>2.57</b>	<b>3.80</b>	<b>2.95</b>	<b>794.55</b>

## HMA AGRO GROUP

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

			(in ₹ Million)	
(16)	<b>Other financial liabilities</b>			
	<b>Non-Current financial liabilities</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	
	Derivative liability - forward contract (Measured at fair value through profit and loss)	5	-	
	<b>Total non-current financial liabilities</b>	<b>5</b>	<b>-</b>	
	<b>Current financial liabilities</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	
	Derivative liability - forward contract (Measured at fair value through profit and loss)	198.61	-	
	Employee related obligations	19.19	33.24	
	Interest accrued and not due	4.50	7.47	
	<b>Total current financial liabilities</b>	<b>222.30</b>	<b>40.71</b>	
(17)	<b>Other liabilities</b>			(in ₹ Million)
	<b>Current liabilities</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	
	Advances from customer*	327.63	406.78	
	Advances from related parties (Refer note 28)	0.78	-	
	Statutory dues payable**	41.64	67.37	
	Other liabilities	17.04	2.06	
	<b>Total current liabilities</b>	<b>387.09</b>	<b>476.21</b>	
	*pertains to advances received against order in hand, which will be adjusted as and when goods are billed to the customer.			
	**includes liability towards Tax deducted at source, provident fund contribution and Professional tax			
(18)	<b>Provisions</b>			(in ₹ Million)
	<b>Non Current provisions</b>	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>	
	Gratuity (Refer note 27)	35.32	16.05	
	<b>Total non current provisions</b>	<b>35.32</b>	<b>16.05</b>	
	<b>Current provisions</b>			
	Gratuity (Refer note 27)	3.66	1.50	
	<b>Total current provisions</b>	<b>3.66</b>	<b>1.50</b>	

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

(in ₹ Million)

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

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>(26) Other expenses</b>		
Freight charges	1,954.89	2,072.33
Power and fuel	596.09	599.56
Cooling and freezing charges	535.43	121.13
Packaging expenses	523.34	405.17
Sales commission	423.99	389.68
Loss on derivative forwards measured through profit and loss	91.04	-
Repairs and maintenance :		
- Plant & machinery	185.38	210.34
- Building	26.24	16.95
Export charges	186.33	182.91
Consumable expenses	74.11	89.30
Rates and taxes	62.45	59.71
Legal and professional charges	43.95	46.15
Security charges	26.78	22.88
Corporate social responsibility (Refer note 39)	25.65	16.36
Bank charges	21.22	36.88
Travelling and conveyance	36.59	5.94
Cleaning expenses	18.44	15.60
Insurance charges	10.07	10.71
Vehicle expenses	5.46	3.27
Communication expenses	4.51	4.43
Printing & Stationery	2.50	8.63
Facility utilisation charges and rent	1.82	105.84
Sundry balances write off	0.01	4.27
Auditors remuneration (Refer note 26.1)	0.89	0.89
Miscellaneous expenses	29.56	30.31
<b>Total other expenses</b>	<b>4,886.74</b>	<b>4,459.24</b>
<b>(26.1) Payment to auditors :</b>		
For statutory audit	0.89	0.89
<b>Total payment to auditors</b>	<b>0.89</b>	<b>0.89</b>

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**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****(27) Employee benefits****(a) Defined contribution plan**

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

(in ₹ Million)

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

**(b) Defined benefit plans****Gratuity:**

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

**Actuarial Assumptions**

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

**Notes:**

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

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

(in ₹ Million)

Change in the present value of obligation	As at March 31, 2023	As at March 31, 2022
<b>Present value of obligation at the beginning of the year</b>	17.56	13.65
Interest cost	1.21	0.89
Current service cost	1.76	4.23
Past service cost	9.91	-
<b>Remeasurement due to</b>		
Actuarial loss/(gain) arising from change in financial assumptions	(0.16)	(0.56)
Actuarial loss/(gain) arising on account of experience changes	0.07	(0.65)
Actuarial loss/(gain) arising on account of demographical assumption	8.65	-
<b>Present value of obligation at the end of the year</b>	<b>39.00</b>	<b>17.56</b>

Reconciliation of present value of defined benefit obligation and the fair value of assets	As at March 31, 2023	As at March 31, 2022
Present value of funded obligation at the end of the year	39.00	17.56
<b>Deficit of funded plan</b>	<b>39.00</b>	<b>17.56</b>

**HMA AGRO GROUP**  
**Notes to Consolidated Financial statements for the year ended March 31, 2023**

(in ₹ Million)

(ii) Amount recognised in the statement of profit and loss	Year ended March 31, 2023	Year ended March 31, 2022
Current service cost	1.76	4.23
Past service cost	9.91	-
Interest cost	1.21	0.89
<b>Total expense recognized in the statement of profit and loss</b>	<b>12.88</b>	<b>5.12</b>
Amount recognised in other comprehensive income	Year ended March 31, 2023	Year ended March 31, 2022
<b>Remeasurements during the year due to</b>		
Changes in financial assumptions	(0.16)	(0.56)
Changes in demographic assumptions	8.65	-
Experience adjustments	0.07	(0.65)
<b>Amount recognised in other comprehensive income during the y</b>	<b>8.56</b>	<b>(1.21)</b>

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

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

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

## (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	Agra Better Homes LLP
10	Black Gold Tanners

## (ii) Key managerial personnel

Sr. No	Particulars	Nature of relationship
1	Wajid Ahmed (upto June 02, 2021) (w.e.f June 03, 2021) (w.e.f June 03, 2021) (w.e.f June 03, 2021)	Director Managing Director Chairman Chief financial officer
4	Zulfiqar Ahmed Qureshi (upto. April 01, 2021)	Director
5	Mohammad Kamil Qureshi (upto. August 01, 2019)	Director
6	Nikhil Sundrani (w.e.f. October 04, 2021)	Company secretary

## (iii) Relatives of Key management personal

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

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

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

(in ₹ Million)

Sr. No	Particulars	March 31, 2023	March 31, 2022
<b>A</b>	<b>Transactions</b>		
<b>1</b>	<b>Facility utilisation charges</b>		
	Federal Agro Industries Private Limited	-	-
<b>2</b>	<b>Rent</b>		
	HMA Cattle Farming Private Limited	-	-
	Gausia Cold Storage Private Limited	-	-
	Gulzar Ahmad	0.04	0.04
	Mohammad Ashraf Qureshi	0.04	0.04
	Zulfiqar Ahmed Qureshi	0.04	0.04
	Wajid Ahmed	0.07	0.07
	Mohammad Kamil Qureshi	0.04	0.04
	Parvez Alam	0.04	0.04
	Nafees Begum	0.04	0.04
	Mohammad Mehmood Qureshi	0.04	0.04
<b>3</b>	<b>Cooling charges</b>		
	Gausia Cold Storage Private Limited	-	8.31
<b>4</b>	<b>Commission on sales</b>		
	Mohammad Ashraf Qureshi	-	36.69
<b>5</b>	<b>Sale of Products</b>		
	HMA Leather Export Private Limited	42.61	30.82
	Black Gold Tanners	19.26	-
<b>6</b>	<b>Purchase of raw material</b>		
	HMA Leather Export Private Limited	4.67	41.38
<b>7</b>	<b>Remuneration</b>		
	Gulzar Ahmad	18.00	16.50
	Zulfiqar Ahmed Qureshi	6.00	1.00
	Wajid Ahmed	18.00	16.50
	Mohammad Kamil Qureshi	18.00	16.50
	Gulzeb Ahmed	12.00	11.10
	Parvez Alam	18.00	16.50
	Mohammad Mehmood Qureshi	18.00	16.50
	Gulzair Ahmed	5.30	1.20
	Zainul Ahmad	-	1.20
	Gulam Habib	-	1.20
	Nikhil Sundrani	0.42	-
<b>8</b>	<b>Reimbursement of expense incurred on behalf of subsidiary</b>		
	HMA Leather Export Private Limited	-	0.36
	Gausia Cold Storage Pvt Ltd	-	4.16
	Mohammad Mehmood Qureshi	1.05	-
<b>9</b>	<b>Advance given to related parties</b>		
	HMA Leather Export Private Limited	0.05	-
	Mohammad Mehmood Qureshi	0.01	-
	Gulzar Ahmad	10.98	-
	Zulfiqar Ahmad Qurashi	-	-
<b>10</b>	<b>Advances received back from related parties</b>		
	HMA Hygienic Foods Industries Private Limited	-	0.75
	HMA Leather Export Private Limited	0.05	-
	Gulzar Ahmad	11.68	-
<b>11</b>	<b>Borrowings taken from related parties</b>		
	Mohammad Ashraf Qureshi	1.42	-
	Wajid Ahmed	1.00	-
	Gulzar Ahmad	2.00	-
<b>12</b>	<b>Borrowings repaid to related parties</b>		
	Gulzeb Ahmed	-	1.80
	Mohammad Kamil Qureshi	-	2.89
	Mohammad Ashraf Qureshi	-	54.46
	Wajid Ahmed	-	8.54
	Gulzar Ahmad	-	0.91
	Parvez Alam	-	1.10
	Zulfiqar Ahmed Qureshi	-	13.25
	Mohammad Mehmood Qureshi	-	17.58

**HMA AGRO GROUP**  
Notes to Consolidated Financial statements for the year ended March 31, 2023

## (28) Related party transactions (continued)

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

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

c)

Sr. No	Particulars	March 31, 2023	March 31, 2022
	<b>Commitments</b>		
<b>21</b>	<b>Guarantee given on behalf of the Company</b>		
	Taj View Builder and Promoters Private Limited	2,400.00	2,400.00
	Taj View Construction Private Limited	2,400.00	2,400.00
	Agra Better Homes LLP	1,250.00	1,250.00
	Gulzar Ahmad	3,650.00	3,650.00
	Zulfiqar Ahmad Qureshi	3,650.00	3,650.00
	Mohammad Ashraf Qureshi	2,400.00	2,400.00
	Mohammad Mehmood Qureshi	2,400.00	2,400.00
	Wajid Ahmed	3,650.00	3,650.00
	Mohammad Kamil Qureshi	3,650.00	3,650.00
	Gulzeb Ahmed	3,650.00	3,650.00
	Zakiya Qureshi	2,400.00	2,400.00
	Parvez Alam	2,400.00	2,400.00
	Nafees Begaum	2,400.00	2,400.00

Note :

- Directors of the Company and entities where they have significant influence have given personal and corporate guarantee towards the loans availed from financial institutions by the Company, details of the same are disclosed under note 31.
- Key managerial personnel who are under the employment of the Parent Company are entitled to post employment benefits recognized as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are amounts provided on the basis of actuarial valuation, the same is not included above. Gratuity has been computed for the entity as a whole and hence excluded.
- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

**HMA AGRO GROUP**  
**Notes to Consolidated Financial statements for the year ended March 31, 2023**

**(29) Financial risk management framework**

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

**a). Credit risk**

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

**Cash and cash equivalents**

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

**Trade and other receivables**

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

A default on a financial asset is when the counterparty fails to make contractual payments when they fall due. This definition of default is determined by

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 tradereceivables and other receivables.

**Other financial assets**

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

**b). Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. The Group has access to unused credit facility for the year ended March 31, 2023 amounting to ₹773.48 million (March 31, 2022 : ₹998.60 million) towards working capital needs.

**Maturities of financial liabilities**

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

Particulars	Carrying amount	
	<12months	>12months
(in ₹ Million)		
<b>March 31, 2023</b>		
<b>Non Derivative financial instruments</b>		
Borrowings	3,010.69	422.50
Trade payables	870.10	-
Other financial liabilities	23.69	-
<b>Derivative financial instruments</b>		
Other financial liabilities	196.61	-
<b>March 31, 2022</b>		
<b>Non Derivative financial instruments</b>		
Borrowings	2,778.57	521.60
Trade payables	794.55	-
Other financial liabilities	40.71	-

**(c). Market risk**

Market risk is the risk arising from changes in market prices – such as foreign exchange rates and interest rates – that will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of the investments. Thus, the exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency.

**(i). Currency risk**

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

**Exposure to currency risk**

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

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

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

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

**Sensitivity analysis**

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

Particulars	(in ₹ Million)	
	March 31, 2023	March 31, 2022
	<b>Impact on profit after tax</b>	
<b>USD</b>		
- Increase by 5%	94.76	56.01
- Decrease by 5%	(94.76)	(56.01)
<b>EURO</b>		
- Increase by 5%	3.59	-
- Decrease by 5%	(3.59)	-

**Derivative financial instruments and hedging activities**

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

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

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

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

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

Particulars	As at March 31, 2023
Changes in fair value of forward contract designated as hedging instruments	(358.04)
Amount reclassified to profit and loss during	217.95
<b>Net charge to other comprehensive income before tax adjustments</b>	<b>(140.09)</b>
Tax Impact on the above	35.26
<b>Net outstanding cash flow hedge reserve</b>	<b>(104.83)</b>

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

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

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

Sensitivity analysis	(in ₹ Million)	
	As at March 31, 2023	As at March 31, 2022
	<b>Impact on profit after tax</b>	
<b>USD</b>		
- Increase by 5%	213.60	58.06
- Decrease by 5%	(213.60)	(58.06)
<b>GBP</b>		
- Increase by 5%	33.81	-
- Decrease by 5%	(33.81)	-
<b>EURO</b>		
- Increase by 5%	125.61	-
- Decrease by 5%	(125.61)	-

As at March 31, 2023 ₹(91.04) Millions, (March 31, 2022 ₹29.14 Millions) have been recognised in the restated consolidated financial information for exchange gain/(loss) on foreign exchange forward that do not qualify for hedge accounting.

**HMA AGRO GROUP**  
**Notes to Consolidated Financial statements for the year ended March 31, 2023**

(ii). **Interest rate risk**

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

**Exposure to interest rate risk**

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

(iii). **Capital risk management**

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital, general reserve, securities premium, other comprehensive income and retained earnings.

Particulars	(in ₹ Million)	
	March 31, 2023	March 31, 2022
Borrowings	3,433.18	3,300.17
Less : Cash and cash equivalents	(689.04)	(185.28)
Less : Other bank balances	(312.55)	(514.36)
<b>Net Debt</b>	<b>2,431.59</b>	<b>2,600.53</b>
Equity	4,944.87	3,916.55
<b>Total Capital</b>	<b>4,944.87</b>	<b>3,916.55</b>
<b>Total Capital and Net Debt</b>	<b>7,376.46</b>	<b>6,517.07</b>
<i>Capital gearing ratio</i>	<i>0.33</i>	<i>0.40</i>

**Loan covenants**

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

(30) **Fair value measurement**

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

(in ₹ Million)			
At fair value through profit and loss	Level	March 31, 2023	March 31, 2022
<b>Assets</b>			
Derivative asset - Forward contract receivable	-	-	-
<b>Total assets</b>		-	-
<b>Liabilities</b>			
Derivative liabilities - Forward contract payables	2	61.90	-
<b>Total liabilities</b>		61.90	-
(in ₹ Million)			
At fair value through other comprehensive income	Level	March 31, 2023	March 31, 2022
<b>Liabilities</b>			
Derivative liabilities - Forward contract payables	2	140.10	-
<b>Total liabilities</b>		140.10	-

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

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

## HMA AGRO GROUP

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

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

Particulars	(in ₹ Million)	
	March 31, 2023	March 31, 2022
Non Current	422.50	521.60
Current	3,010.69	2,778.57
<b>Total</b>	<b>3,433.19</b>	<b>3,300.17</b>

(in ₹ Million)

Particulars	March 31, 2023	March 31, 2022	Interest rate	Repayment Period	Secured against
L-1	1606.42	1,947.23	7.56%	On Completion of tenure of the WCDDL facility	<p>1. Hypothication 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>ii. Property -1 (Non-agriculture land) an area of 1.1720 Hectare out of 2.3440 Khasra no. 65, situated at Mauza Sawai Tehsil Etmadpur District Agra</p> <p>iii. Property -2 (Non agricultural land) Non agricultural land 1/2 share of khasra no. 67 an area of 1.6595 Hectare out of 3.3190 Hectare, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Taj view Builder and Promoters P Ltd</p> <p>iv. Property - 3 (Non agricultural land) Non agricultural land an area of 3.5090 Hectare of Khasra no. 78, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Taj view Construction Pvt Ltd</p> <p>v. Property - 4 (Non agricultural land) Non agricultural land an area of 1.7660 Hectare of Khasra no. 84/2, situated at Mauza Sawai Tehsil Etmadpur District Agra in the name of Taj view Construction Pvt Ltd</p> <p>vi. Property - 5 (Residential flat) - All that Piece and Parcel of Property bearing Flat No. 04, area measuring 75.71 Sq. mtrs, on third floor, in Plot No. 1, built on property no. 2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P</p> <p>vii. Property - 6 (Industrial land &amp; building) All that Piece and Parcel of Property bearing land area measuring 0.461 hectare out of total land admeasuring 0.6910 hectare in Khasra/Gata No. 287Min, situated at Village Kuberpur, Tehsil-Etmadpur, Agra, U.P. (Owned by Mr. Mohammad Mehmood Qureshi and Mr. Mohammad Kamil Qureshi)</p> <p>viii. Property - 7 (Industrial land &amp; building) All that Piece and Parcel of Property bearing land area measuring 0.7830 hectare in Khasra/ Gata No. 287Min, situated at Village Kuberpur, Tehsil-Etmadpur, Agra, U.P.</p> <p>ix. Property - 8 (Industrial land &amp; building) All that piece and parcel of Property bearing total land area measuring 0.5747 hectare (land area measuring 0.387 hectare out of land area 0.4686 hectare earlier owned by Shri Deepak Bansal &amp; Shri Vikas Bansal AND land area measuring 0.1877 hectare out of land area 0.423 hectare earlier owned by Smt. Poonam Agarwal) in Khasra/Gata No. 293Min, situated at Village Kuberpur, Tehsil-Etmadpur, Agra, Owned by M/s H.M.A Food Export Pvt Ltd</p> <p>x. Property - 9 (Industrial land &amp; building) All that Piece and Parcel of Property bearing total land area measuring 2.029 hectare in Khasra/Gata No. 293Min (0.703 hectare), 295Min (0.933 hectare), 297Min (0.392 hectare) situated at Village Kuberpur, Tehsil-Etmadpur, Agra, U.P.</p> <p>xi. Property - 10 (Commercial/Shop) All that Piece and Parcel of Property bearing Shop No. 02, area measuring 68.39 Sq. mtrs, on second floor, in Plot No. 1, built on property no. 2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P.</p> <p>xii. Property - 11 (Commercial/Shop) All that Piece and Parcel of Property bearing Shop No. 03, area measuring 63.17 Sq. mtrs, on first floor, in Plot No. 1, built on property no. 2/220 (Kothi No. 31), situated at Swadeshi Bima Nagar, M.G. Road, Ward- Hari Parvat, Agra, U.P.</p> <p>xiii. Property - 12 (Industrial land &amp; building) Exclusive charge of Land and Building situated at Village Behra , Barwala Road, dera Bassi, Distt Pataiala Punjab measuring 72 Bighas 17 Biswas I.E 18.30 acres owned By Federal Agro Industries Ltd</p> <p>xiv. Property - 13 (Industrial land &amp; building) Exclusive charge of Land and Boundary wall situated at Village Behra , Barwala Road, dera Bassi, Distt Mohali Punjab measuring 7 bigha 18 biswa owned by Federal Agro Industries Ltd2. Personal Guarantee of : Gulzar Ahmed, Mohd Ashraf Qureshi, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Mohd Kamil Qureshi, Gulzeeb Ahmed, Zakiya Begaum, Qureshi, Parvez Alam, Nafees Begaum.</p> <p>xv. Property - 14 (Residential/Commercial/Industrial Land &amp; Building) Exclusive charge on additional property of ₹150 Mn to be provided for enhancement above the existing exposure of ₹1700 Mn. Same may be replaced with FD of ₹150 Mn till the time security is not provided.</p> <p>3) Corporate Guarantees of - Taj view Builder and Promoters Private Limited Taj view Construction Private Limited H.M.A Food Export Private Limited Federal Agro Industries Private Limited</p> <p>4) Lien on Fixed Deposits(FD) of ₹50 Million only</p> <p>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</p>

## HMA AGRO GROUP

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

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

(in ₹ Million)

Particulars	March 31, 2023	March 31, 2022	Interest rate	Repayment Period	Secured against
L-2	1249.94	704.42	7.15%	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 guarantee of Gulzar Ahmed, Zulfiqar Ahmed Qureshi, Wajid Ahmed, Gulzeeb Ahmed and Zawiya Qureshito remain valid during entire tenor of facility. 4. Unconditional and Irrevocable personal/corporate guarantee of collateralowner to remain valid during entire tenor of facility.
L-3	4.42	3.42	Not applicable	Payable on demand	Unsecured Loans given by directors are repayable with no interest rate.
L-4	552.50	619.10	8.35%	7 years (20 quarterly repayment after two years of moratorium)	1. Secured against fixed deposits amounting to ₹176 Million. 2. Collateral Properties I. In name of the Company : 1. Exclusive charge on industrial property being Factory land and building (Under construction) situated at Plot no. 17, 18, 19, 21, 22, 23, 24, 25, 125, 126, 127, 129, 378, 379 at village Ghatta Shamshabad, Tehsil - Firozpur Jhirka, District Nuh, Mewat, Haryana. 3. Personal guarantee of Gulzar Ahmad, Zulfiqar Ahmad Qureshi, Wajid Ahmad, Gulzeeb Ahmed. 4. Corporate Guarantee of HMA Agro Industries Limited
L-5*	19.91	26.00	NA	Payable on demand	Unsecured loan from other parties. No interest is payable on the same.
<b>Total</b>	<b>3,433.19</b>	<b>3,300.17</b>			

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

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

**Loan covenants :**

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

The Group has also satisfied all other debt covenants prescribed in the terms of bank loan. The other loans do not carry any debt covenant.

The Group has not defaulted on any loans payable.

(This space has been intentionally left blank)

## HMA AGRO GROUP

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

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

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

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

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

(in ₹ Million)								
Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities	Column1	Share in Profit or loss	Column2	Share in Other comprehensive income	Column3	Share in Total Comprehensive Income	Column4
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
<b>March 31, 2023</b>								
<b>Parent</b>								
HMA Agro Industries Limited	81.84%	4,046.76	108.44%	1,338.81	100.00%	(111.19)	109.28%	1,227.58
<b>Subsidiary</b>								
HMA Food Export Private Limited	2.92%	144.27	0.95%	11.72	-	-	1.04%	11.72
FNS Agro Foods Limited	0.20%	9.79	-0.38%	(4.70)	-	-	-0.42%	(4.70)
Swastik Bone and Gelatines Private Limited	-0.17%	(8.22)	-0.09%	(1.16)	-	-	-0.10%	(1.16)
Laal Agro Food Private Limited	-0.12%	(6.08)	-0.02%	(0.24)	-	-	-0.02%	(0.24)
United Farm Products Private Limited	-0.91%	(45.07)	-16.65%	(205.61)	-	-	-18.30%	(205.61)
Indus Farmers Food Co. LLP	0.66%	32.81	-0.03%	(0.42)	-	-	-0.04%	(0.42)
JFF Export Private Limited	0.00%	(0.15)	0.00%	(0.05)	-	-	0.00%	(0.05)
HMA Natural Foods Private Limited	0.48%	23.84	0.00%	(0.04)	-	-	0.00%	(0.04)
Federal Agro Industries Limited	7.33%	362.68	6.27%	77.44	-	-	6.89%	77.44
Reliable Agro Foods	3.09%	152.57	-0.94%	(11.56)	-	-	-1.03%	(11.56)
<b>Joint Operation</b>								
International Agro Food Exports	0.59%	29.35	0.00%	(0.05)	-	-	0.00%	(0.05)
<b>Non Controlling Interest</b>								
	4.09%	202.32	2.47%	30.54	-	-0.12	2.71%	30.42
<b>Total</b>	<b>100%</b>	<b>4,944.87</b>	<b>100%</b>	<b>1,234.66</b>	<b>100%</b>	<b>(111.31)</b>	<b>100%</b>	<b>1,123.35</b>

Name of the entities in the Group	Net Assets , i.e. Total Assets minus total liabilities	Column1	Share in Profit or loss	Column2	Share in Other comprehensive income	Column3	Share in Total Comprehensive Income	Column4
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
<b>March 31, 2022</b>								
<b>Parent</b>								
HMA Agro Industries Limited	75.27%	2,948.06	98.51%	1,147.53	39.91%	0.36	98.47%	1,147.89
<b>Subsidiary</b>								
HMA Food Export Private Limited	2.55%	99.97	0.00%	-	-	-	0.00%	-
FNS Agro Foods Limited	0.31%	12.29	0.00%	-	-	-	0.00%	-
Swastik Bone and Gelatines Private Limited	-0.16%	(6.36)	0.00%	-	-	-	0.00%	-
Laal Agro Food Private Limited	-0.15%	(5.78)	0.00%	-	-	-	0.00%	-
United Farm Products Private Limited	3.61%	141.37	0.00%	-	-	-	0.00%	-
Indus Farmers Food Co. LLP	0.85%	33.23	0.00%	-	-	-	0.00%	-
JFF Export Private Limited	0.00%	(0.10)	0.00%	-	-	-	0.00%	-
HMA Natural Foods Private Limited	0.61%	23.88	0.00%	-	-	-	0.00%	-
Federal Agro Industries Limited	8.24%	322.75	0.00%	-	43.23%	0.39	0.03%	0.39
Reliable Agro Foods	3.73%	145.94	0.00%	-	-	-	0.00%	-
<b>Joint Operation</b>								
International Agro Food Exports	0.75%	29.39	0.00%	-	-	-	0.00%	-
<b>Non Controlling Interest</b>								
	4.39%	171.90	1.49%	17.30	16.85%	0.15	1.50%	17.46
<b>Total</b>	<b>100%</b>	<b>3,916.55</b>	<b>100%</b>	<b>1,164.83</b>	<b>100%</b>	<b>0.91</b>	<b>100%</b>	<b>1,165.74</b>

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****(34) Business combinations****a. Acquisition of Federal Agro Industries Private Limited**

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

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

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

(in ₹ 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
<b>Total assets</b>	<b>293.72</b>	<b>130.77</b>	<b>424.49</b>
Trade payables	42.82	-	42.82
Borrowings	7.61	-	7.61
<b>Total liabilities</b>	<b>50.43</b>	<b>-</b>	<b>50.43</b>
Total identifiable assets at fair value	243.29	130.77	374.06
Non Controlling Interests - 40%	97.32	52.31	149.62
<b>Purchase consideration paid - 60%</b>	<b>145.97</b>	<b>78.46</b>	<b>224.44</b>

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

**b. Acquisition of Reliable Agro Foods**

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

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

(in ₹ 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
<b>Total assets</b>	<b>213.30</b>	<b>-</b>	<b>213.30</b>
Trade payables	58.98	-	58.98
Total identifiable assets at fair value	154.32	-	154.32
<b>Purchase consideration paid</b>	<b>154.32</b>	<b>-</b>	<b>154.32</b>

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

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

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****(35) Earnings per share**

Particulars	Year ended March 31,2023	Year ended March 31,2022
Profit attributable to the equity holders of the Company (in ₹ Millions)	1,204.12	1,147.53
Weighted average number of equity shares for EPS (in no's)*	47,512,875.00	47,512,875.00
Adjustment for calculation of Diluted EPS (in no's)	-	-
Weighted average number of equity shares for Diluted EPS (in no's)	47,512,875.00	47,512,875.00
Earnings per share		
- Basic	25.34	24.15
- Diluted	25.34	24.15
Face value per equity share (₹.)	10.00	10.00

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

**(36) Income tax expense**

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

**a. Income tax expense is as follows:**

(in ₹ Million)

Particulars	Year ended March 31,2023	Year ended March 31,2022
<b>(a) Profit and loss</b>		
Current tax	521.13	411.87
Tax expense relating to prior years	-	10.15
Deferred tax	(20.26)	(0.73)
<b>Total tax expense</b>	<b>500.87</b>	<b>421.29</b>
<b>Income tax expense</b>	<b>500.87</b>	<b>421.29</b>

**b. Reconciliation of tax expense and the accounting profit computed by applying income tax rate:**

(in ₹ Million)

Particulars	Year ended March 31,2023	Year ended March 31,2022
<b>Profit before tax</b>	1,735.53	1,586.12
Tax rate	25.17%	25.17%
<b>Computed tax expense</b>	<b>436.80</b>	<b>399.20</b>
Expense not deductible for tax purposes	5.97	6.65
Tax expense relating to prior years	-	10.15
Others	1.90	1.44
Impact of difference in tax rate	(1.23)	3.02
Deferred tax not created on losses of subsidiaries	57.43	0.84
Amounts paid under settlement schemes with revenue authorities	-	-
<b>Income tax expense</b>	<b>500.87</b>	<b>421.29</b>

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

(in ₹ Million)

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

**(37) Segment reporting**

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

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

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****(37) Segment reporting (continued)**

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

**Revenue from operations**

(in ₹ Million)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Vietnam	6,612.87	5,750.09
Malaysia	9,593.49	4,064.45
Hongkong	1,337.60	1,469.87
Indonesia	2,111.93	1,598.60
Egypt	2,667.92	9,167.38
India	2,328.54	4,095.75
Rest of the world	7,439.85	4,685.77
<b>Total</b>	<b>32,092.19</b>	<b>30,831.91</b>

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

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

(in Percentage)

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

**(38) Commitments and contingent liabilities**

(in ₹ Million)

Particular	As at March 31, 2023	As at March 31, 2022
<b>(a) Export obligation</b>		
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>(b) Other commitments</b>		
Guarantee given to financial institutions for loans availed by Group	5,450.00	5,450.00
<b>(c) Contingent liabilities*</b>		
Claims against Group not acknowledged as debt for matters under appeal against below revenue authorities		
- Service tax	125.67	78.19
- Value added tax	199.30	199.30

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

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

**(39) Corporate social responsibility**

(in ₹ Million)

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

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

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

**HMA AGRO GROUP****Notes to Consolidated Financial statements for the year ended March 31, 2023****(41) Other Statutory Information**

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**(42) Subsequent event :**

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

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

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

**FOR MAPSS AND COMPANY**

Chartered Accountants

Firm's Registration Number: 012796C

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

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

CIN: U74110UP2008PLC034977

Sd/-  
**Gulzar Ahmad**  
 Chairman  
 DIN : 01312305  
 Place : Agra  
 Date : July 31, 2023

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

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

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









**HMA AGRO INDUSTRIES LIMITED**

**Corp. Off : 18A/5/3, Tajview Crossing Fatehabad Road,  
Agra, Uttar Pradesh-282001  
Email id: [cs@hmaagro.com](mailto:cs@hmaagro.com)**