



# HMA AGRO INDUSTRIES LTD.

(STAR EXPORT HOUSE RECOGNISED BY GOVERNMENT OF INDIA)

CIN No. : L74110UP2008PLC034977

Date: November 13, 2023

<b>To, Dept. of Corporate Services-Listing Department Bombay Stock Exchange Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001 Scrip Code: 543929</b>	<b>To, Listing Department The National Stock Exchange of India Limited Exchange Plaza,Bandra Kurla Complex, Bandra, Mumbai – 400 051 Scrip Code: HMAAGRO</b>
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**Sub: Sub: Report of Monitoring Agency under Regulation 41 (4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and under Regulation 32 (6) of SEBI {Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Madam,

Pursuant to Regulation 41(4) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and Regulation 32 (6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Monitoring Agency Report in respect of the utilization of proceeds of Initial Public Offer (IPO), for the quarter ended September 30, 2023 issued by CRISIL Ratings Limited, Monitoring Agency.

You are requested to take the above intimation on record and acknowledge the receipt.

Thanking You

**Yours Faithfully,  
For HMA Agro Industries Limited**

**Nikhil Sundrani  
Company Secretary and Compliance Officer**

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**Monitoring Agency Report for  
HMA Agro Industries Limited  
for the quarter ended  
September 30, 2023**

CRL/MAR/HMAISPL/2023-24/1043

November 10, 2023

To

**HMA Agro Industries Limited**

18A/5/3, Tajview Crossing,  
Fatehabad Road, Agra -282001,  
Uttar Pradesh, India

Dear Sir,

**First and Final Monitoring Agency Report for the quarter ended September 30, 2023 - in relation to the Initial Public Offer ("IPO") of HMA Agro Industries Limited ("the Company")**

Pursuant to Regulation 41(2) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**") and Monitoring Agency Agreement dated April 17, 2023, enclosed herewith the First and Final Monitoring Agency Report, issued by CRISIL Ratings Limited, Monitoring Agency, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of IPO for the quarter ended September 30, 2023.

Request you to kindly take the same on records.

Thanking you,

**For and on behalf of CRISIL Ratings Limited**



**Sushant Sarode**  
Director, Ratings (LCG)

## First and Final Report of the Monitoring Agency (MA)

**Name of the issuer:** HMA Agro Industries Limited

**For quarter ended:** September 30, 2023

**Name of the Monitoring Agency:** CRISIL Ratings Limited

(a) Deviation from the objects: Not applicable

(b) Range of Deviation: Not applicable

**Declaration:**

*We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.*

*The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.*

*We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.*

**Signature:** 

**Name and designation of the Authorized Signatory:** Sushant Sarode

**Designation of Authorized person/Signing Authority:** Director, Ratings (LCG)

## 1) Issuer Details:

<b>Name of the issuer:</b>	HMA Agro Industries Limited
<b>Names of the promoter:</b>	a. Zulfiqar Ahmad Qurashi b. Mohammad Ashraf Qureshi c. Mohammad Mehmood Qureshi d. Gulzar Ahmad e. Wajid Ahmed
<b>Industry/sector to which it belongs:</b>	Meat Products including Poultry

## 2) Issue Details

<b>Issue Period:</b>	Tuesday, June 20, 2023 to Friday, June 23, 2023
<b>Type of issue (public/rights):</b>	Initial Public Offer (IPO)
<b>Type of specified securities:</b>	Equity Shares
<b>IPO Grading, if any:</b>	NA
<b>Issue size:</b>	Rs 4,800.00 million Issue size comprises of fresh issuance/gross proceeds of Rs 1,500.00 million (Net proceeds of Rs 1,459.00 million*) and an offer for sale of Rs 3,300.00 million

*\*CRISIL Ratings shall be monitoring the net proceeds.*

### 3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information/certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the Offer Document?	Yes	Management undertaking, Statutory Auditor Certificate <sup>^</sup> , Final Offer Document, Bank Statements	No Comments	No Comments
Whether shareholder approval has been obtained in case of material deviations from expenditures disclosed in the Offer Document?	NA	Management undertaking, Statutory Auditor Certificate <sup>^</sup>	No Comments	No Comments
Whether the means of finance for the disclosed objects of the issue has changed?	No		No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	NA		No Comments	No Comments
Whether all Government/statutory approvals related to the object(s) have been obtained?	NA		No Comments	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	NA		No Comments	No Comments
Are there any favorable events improving the viability of these object(s)?	NA		No Comments	No Comments
Are there any unfavorable events affecting the viability of the object(s)?	No		No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No Comments	No Comments

NA represents Not Applicable

<sup>^</sup>Certificate dated October 21, 2023, issued by MAPSS and Company, Chartered Accountants (Firm Registration Number: 012796C), Statutory Auditors of the Company.

## Ratings

#### 4) Details of object(s) to be monitored:

##### i. Cost of the object(s):

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) (Rs in million)	Revised Cost (Rs in million)	Comment of the MA	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Funding working capital requirements of the Company	Management undertaking, Statutory Auditor Certificate <sup>^</sup> , Final offer document	1,350.00	NA	No comments	No Comments	No Comments	No Comments
2	General Corporate Purposes (GCP) <sup>#</sup>		109.00	NA	No comments	No Comments	No Comments	No Comments
<b>Total</b>		-	<b>1,459.00</b>	-	-			

<sup>^</sup>Certificate dated October 21, 2023, issued by MAPSS and Company, Chartered Accountants (Firm Registration Number: 012796C), Statutory Auditors of the Company.

<sup>#</sup>The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds (amounting to Rs 375.00 million) from the Fresh Issue.

## ii. Progress in the object(s):

Sr. No.	Item Head#	Source of information/certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document (Rs in million)	Amount utilized (Rs in million)			Total unutilized amount (Rs in million)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Funding working capital requirements of the Company	Management undertaking, Statutory Auditor Certificate <sup>^</sup> , Final Offer Document, Bank Statements	1,350.00	NA	1,350.00	1,350.00	Nil	Entire proceeds fully utilized during the quarter	No Comments	No Comments
2	General Corporate Purposes (GCP)	Management undertaking, Statutory Auditor Certificate <sup>^</sup> , Final Offer Document, Bank Statements	109.00	NA	109.00	109.00	Nil	Entire proceeds fully utilized during the quarter	No Comments	No Comments
	<b>Total</b>		<b>1,459.00</b>	<b>NA</b>	<b>1,459.00</b>	<b>1,459.00</b>	<b>Nil</b>	-		

<sup>^</sup>Certificate dated October 21, 2023, issued by MAPSS and Company, Chartered Accountants (Firm Registration Number: 012796C), Statutory Auditors of the Company.

### Note:

- The Company has transferred net proceeds from Monitoring agency account maintained with Axis Bank to Company's current account maintained with Yes bank. Net proceeds were utilized by the Company from its current account towards aforementioned objects of the Issue.
- The Company incurred Rs 41.00 million towards issue expenses of IPO. During the reported quarter, this amount of Rs 41.00 million was transferred from escrow account to monitoring agency account maintained with Axis Bank and further to company's current account maintained with Yes Bank as reimbursement to the Company.
- Further, the Company has incurred Rs 4.10 million towards offer expenses on behalf of selling shareholders. During the reported quarter, this amount was received from the share of selling shareholders as reimbursement to the Company. This excess amount of Rs 4.10 million was transferred from escrow account to monitoring agency account maintained with Axis Bank and further to company's current account maintained with Yes Bank as reimbursement to the Company.



**#Brief description of objects:**

Object of the Issue	Description of objects as per the offer document filed by the issuer
Funding working capital requirements of the Company	HMA Agro procures the raw materials from local farmers; livestock markets & commission agents and they do not enjoy much credit period for procuring their raw materials. Further, since 90% of their sales are exports and they carry out exports to over 40 countries they need to maintain a healthy inventory for ensuring they can service orders from different distribution channels efficiently. Further, they must provide sufficient credit period to their distribution channel partners to ensure healthy growth in order flow of their product portfolio including the recently added products.
General Corporate Purposes (GCP)	<p>General corporate purposes may include, but are not restricted to,</p> <ul style="list-style-type: none"> <li>(i) Strategic initiatives, partnerships, joint ventures, and acquisitions</li> <li>(ii) Reduce consolidated debt levels</li> <li>(iii) To renovate and refurbish certain of the existing Company owned/leased and operated facilities or premises</li> <li>(iv) Brand promotion activities</li> <li>(v) Meeting exigencies</li> <li>(vi) Any other purposes as may be approved by the Board</li> </ul> <p>The company confirmed that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, they confirmed that the amount for general corporate purposes, including excess amount, if any, as mentioned in the Prospectus, shall not exceed 25% of the amount raised by the Company through the Offer of Equity Shares.</p>

**iii. Deployment of unutilised proceeds<sup>^</sup>:**

S. No.	Type of instrument where amount is invested	Amount invested (in million)	Maturity date	Earnings as on September 30, 2023 (in million)	Return on Investment (%)	Market value as at the end of quarter (in million)
Not Applicable as the proceeds were fully utilized towards objects of the offer.						

<sup>^</sup>On the basis of management undertaking and certificate dated October 21, 2023, issued by MAPSS and Company, Chartered Accountants (Firm Registration Number: 012796C), Statutory Auditors of the Company.

iv. Delay in implementation of the object(s)^:

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual		Reason of delay	Proposed course of action
Not Applicable					

*^On the basis of management undertaking and certificate dated October 21, 2023, issued by MAPSS and Company, Chartered Accountants (Firm Registration Number: 012796C), Statutory Auditors of the Company.*

5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document^:

Item heads	Amount (Rs in million)	Remarks
General Corporate Purposes	109.00	The amount which was proposed to be utilized for General Corporate Purposes is also incurred in Funding of working capital requirements only as per the approval by the Board of directors of the company vide Board Resolution dated June 28, 2023.

*^On the basis of management undertaking and certificate dated October 21, 2023, issued by MAPSS and Company, Chartered Accountants (Firm Registration Number: 012796C), Statutory Auditors of the Company.*

## Disclaimers:

- a) *This Report is prepared by CRISIL Ratings Limited (hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.*
- b) *This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.*
- c) *Nothing contained in this Report is capable or intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The MA is also not responsible for any errors in transmission and specifically states that it, or its directors, employees do not have any financial liabilities whatsoever to the users of this Report.*
- d) *The MA and its affiliates do not act as a fiduciary. The MA and its affiliates also do not act as an expert to the extent defined under Section 2(38) of the Companies Act, 2013. While the MA has obtained information from sources it believes to be reliable, it does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives from auditors (or from peer reviewed CA firms), lawyers, chartered engineers or other experts, and relies on in its reports.*
- e) *The MA or its affiliates may have other commercial transactions with the entity to which the report pertains. As an example, the MA may rate the issuer or any debt instruments / facilities issued or proposed to be issued by the issuer that is subject matter of this report. The MA may receive separate compensation for its ratings and certain credit-related analyses, normally from issuers or underwriters of the instruments, facilities, securities or from obligors.*
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