

HMA Agro Industries Limited

October 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	931.00 (Enhanced from 830.00)	CARE A-; Stable / CARE A2+	LT rating and Stable outlook assigned and ST rating reaffirmed
Short-term bank facilities	19.00 (Reduced from 20.00)	CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of HMA Agro Industries Limited (HMA) continue to derive strength from the group's long track record in processed food industry, especially export of frozen buffalo meat, well-spread international presence with strong brand recall value, long-standing relationships resulting in business continuity with export customers and improvement in scale of operations in FY25 (FY refers to April 01 to March 31). Improvement in scale has been driven by stable demand for buffalo meat in export markets, strategic expansion into new geographies and diversification of product basket. The rating is also supported by HMA's comfortable capital structure and liquidity position.

However, these rating strengths are constrained by the company's working capital intensive operations with significant reliance on working capital borrowings, vulnerability of profit margins to raw material price fluctuations, foreign exchange fluctuations and geopolitical risks, presence in a highly competitive industry with regulatory exposure, and susceptibility of livestock to diseases.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in operating income above ₹6500 crore supported by volume growth and profit before interest, lease rentals, depreciation, and taxes (PBILDT) margin above 5.00% on a sustained basis.
- Efficient working capital management resulting in total debt (TD) to PBILDT below 2.50x.

Negative factors

- Significant reduction in volumes with a decline in PBILDT margin below 2.80% on a sustained basis.
- Large debt-funded capital expenditure or advances to group companies/subsidiaries, resulting in overall gearing above 1.00x and adverse impact on the company's liquidity position on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated view of HMA and its subsidiaries, together comprising the HMA Group, owing to financial and operational linkages between the parent and its subsidiaries. The subsidiaries operate in a similar business and are run by a common management. Companies consolidated are listed under **Annexure-6**.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' opinion that the entity is likely to benefit from its established relationship with customers/suppliers and sustain the moderate financial risk profile due to extensive experience of promoters in this business and established market position.

Detailed description of key rating drivers:

Key strengths

Established track record with experienced promoters and management

HMA's promoters have over four decades of experience in the meat processing industry, which has helped them understand market dynamics and build strong customer relationships. This expertise has enabled the group to introduce new products such as fish, sheep and goat meat, and expand into new regions.

HMA was founded by Gulzar Ahmad in 2008. He has extensive experience in livestock trading and meat exports. He oversees management, new plant setups and industry network development. Mohammad Mehmood Qureshi, Managing Director, is responsible for raw material procurement, especially livestock. Gulzeb Ahmed, Chief Executive Officer (CFO) and son of Gulzar

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Ahmad, oversees execution of strategic business plans, manages the finance and accounts departments and is an MBA from Dr. Bhim Rao Ambedkar University in Agra.

Strong market position in buffalo meat export with a well-spread global presence

HMA is a leading exporter of frozen buffalo meat in India, holding a market share of ~10% per the Agricultural and Processed Food Products Export Development Authority (APEDA) in last few years. The company complies with international standards such as Good Manufacturing Practices (GMP), Good Hygienic Practices (GHP), and Hazard Analysis Critical Control Point (HACCP) to ensure high-quality meat production. HMA has a well-established presence in the export market, with a product portfolio primarily focused on frozen meat, particularly buffalo meat, which constitutes ~90% of its sales. The company also provides other products, including goat meat, rice, and frozen fish. As one of the top three meat exporters in India, HMA exports to over 50 countries under the brands "Black Gold," "Kamil," and "HMA." These products have been available in international markets for over a decade, contributing to strong brand recognition and recall among end-users at local stores in these countries.

Steady growth in scale through expansion into new markets and diversified products

HMA reported a total operating income (TOI) of ₹5,214.53 crore in FY25, reflecting a compound annual growth rate (CAGR) of 24.99% over last five years and ~8% year-on-year (y-o-y) growth from ₹4,835.95 crore in FY24. This growth was primarily driven by strategic expansion into new geographies such as the Philippines, Indonesia, and Malaysia, and diversification into fish, pet food, and rice categories. Key contributor was the commissioning of Asia's largest meat processing facility in Nuh, Mewat (Haryana), through its subsidiary United Farm Products Pvt. Ltd., which enhanced capacity and efficiency from FY24. Despite external challenges such as geopolitical tensions and rising input costs, exports accounted for 95.38% of total revenue, and the PBILDT margin improved to 3.42% in FY25 from 3.20% in FY24, supported by premium offerings such as vacuum-packed chilled meat.

Q1FY26 (refers to April 01 to June 30): The company reported TOI of ₹1,122.61 crore with a lower PBILDT margin of 1.48% compared to TOI of ₹712.61 crore with a PBILDT margin of 2.45% in 3MFY25, marking growth of ~58% in the scale of operations. The lower margin in Q1FY26 was majorly due to increase in the cost of livestock, which is likely to improve in next few quarters and overall operating margin is expected to remain in similar range in FY26. The company's scale is expected to increase in FY26 over FY25, supported by increased capacity and a strategic partnership with Malaysia's government-backed Perbadanan Kemajuan Pertanian Selangor (PKPS) for the supply of frozen boneless buffalo meat.

Comfortable financial risk profile

The company has a comfortable capital structure, with overall gearing below unity for the past few fiscal years. Overall gearing stood at 0.66x as on March 31, 2025, against 0.67x on March 31, 2024. HMA's debt profile primarily comprise working capital borrowings (sanction amount of ₹830 crore, expected to enhance to ₹930 crore) and negligible term loans. Given the nature of the business, there are negligible creditors, with a receivable cycle of ~30 days and an inventory period of ~30-45 days (including stock in transit of ~₹500 crore). Interest coverage ratio remained comfortable at 6.65x in FY25 (PY: 8.92x).

Key weaknesses

Working capital intensive operations

High working capital intensity is an inherent characteristic of the meat processing and export industry, evident from low investment in property, plant and equipment of ~₹393.06 crore compared to total capital employed of ₹1338.84 crore. The company's operations require maintaining substantial inventories of raw materials (livestock), finished goods (frozen and processed meat) and stock in transit to ensure uninterrupted production and timely fulfilment of large export orders, resulting in inventory days of 30-45 days. Due to the export-oriented business, the receivable cycle remains at ~30 days, as payments from overseas buyers are typically realised within a month from delivery, while payments to livestock suppliers are made promptly. The company incurs high logistics, freight, and cold storage costs, further adding to its working capital requirements. Consequently, HMA business highly depends on external working capital borrowings to support its day-to-day liquidity and ensure smooth operations across procurement, processing, and export cycles. Expansion of operations through the acquisition of new abattoirs, and longer transit periods, is expected to lead to higher inventory levels. Consequently, working capital days are likely to remain elongated, further elevating the company's reliance on external borrowings.

Presence in highly competitive industry with exposure to regulatory risk

The buffalo meat industry in India faces several risks, including socio-political factors influencing market demand and operations domestically and internationally. Changes in trade policies, tariffs and regulations in importing countries can impact market access for the company. The meat industry is fragmented, with intense competition from organised and unorganised players, affecting

market position and pricing. The company's profitability was relatively lower in last two financial years due to increase in the cost of livestock, which form the core of its raw material base. Freight expenses slightly surged owing to geopolitical tensions. The company typically receives export orders for five to six months in advance. This lead time means that prices and quantities are often locked-in well before actual procurement of raw material and shipment of order. As a result, when there is a sudden rise in input costs such as livestock prices and freight cost, the company is unable to completely pass on the additional burden to its customers in the short term. The company's significant reliance on exports, which account for over 90% of its income, exposes it to foreign exchange price volatility. Going forward, pollution-related shutdowns of abattoirs and cultural or religious sensitivities towards meat consumption in certain regions may lead to operational disruptions and market restrictions, and hence, remains a key monitorable.

High susceptibility of livestock to diseases

HMA's total sales are mainly contributed by frozen buffalo meat. Given that there have been instances of buffalo diseases such as foot and mouth disease (FMD) and lumpy skin disease which have impacted the demand for bovine meat, HMA's sales are exposed to this risk. Unorganised meat markets in India, tropical climate, inadequate hygiene measures, and lack of surveillance of animal-borne diseases can increase the risk of such hazards. Livestock trading in India is typically managed through a wide network of commission agents, and the company has reduced procurement risks by diversifying its sourcing across a mix of small, medium, and large players. To ensure raw material quality, the company sources livestock from disease-free zones recognised by the Department of Animal Husbandry.

Liquidity: Adequate

The company's liquidity profile is adequate with expected gross cash accruals (GCA) of ~₹140 crore against repayment obligations of ~₹14.42 crore in FY26. The company has no major capex plan in the near-to-medium term, and average utilisation of working capital limits is ~64% in last 12 months ending June 2025, with ~₹298 crore of working capital limits unutilised. The company has free cash and bank balance including free FDRs of ₹164.02 crore as on March 31, 2025, and the current ratio stand at 1.27x.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Consolidation](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast moving consumer goods	Fast moving consumer goods	Food products	Meat products including poultry

Incorporated on April 09, 2008, HMA is the flagship company of the HMA Group, a prominent player in the meat industry with over four decades of experience. The HMA Group is recognised as one of India's largest manufacturers and exporters of products, including frozen boneless buffalo meat, seafood, pet food, rice, and finished leather. As a star export house recognised by the Government of India, HMA holds a significant position in the export sector. It is one of the largest exporters of frozen buffalo meat from India, contributing ~10% of the country's total frozen buffalo meat exports from last few years. HMA majorly exports to Vietnam, Malaysia, Indonesia, and Egypt among others.

Consolidated

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	4835.95	5214.53	1122.61
PBILDT	154.54	178.53	16.62
PAT	100.58	87.71	0.60
Overall gearing (times)	0.67	0.66	-
Interest coverage (times)	8.92	6.65	2.15

A: Audited UA: Unaudited; Note: these are latest available financial results

Standalone

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1FY26 (UA)
Total operating income	4687.16	4943.02	1088.49
PBILDT	142.96	113.70	17.91
PAT	110.69	60.17	7.17
Overall gearing (times)	0.52	0.64	-
Interest coverage (times)	10.17	4.65	2.51

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable**Any other information:** Not applicable**Rating history for last three years:** Annexure-2**Detailed explanation of covenants of rated instrument / facility:** Annexure-3**Complexity level of instruments rated:** Annexure-4**Lender details:** Annexure-5**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ST-Working Capital Limits	-	-	-	-	931.00	CARE A-; Stable / CARE A2+
Fund-based - ST-Forward Contract	-	-	-	-	19.00	CARE A2+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	931.00	CARE A- ; Stable / CARE A2+	-	1)CARE A2+ (31-Mar-25)	-	-
2	Fund-based - ST-Forward Contract	ST	19.00	CARE A2+	-	1)CARE A2+ (31-Mar-25)	-	-

LT/ST: Long term/Short term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Fund-based - ST-Forward Contract	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)**Annexure-6: List of entities consolidated**

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Federal Agro Industries Private Limited	Full	Subsidiary
2	HMA Food Export Private Limited	Full	Subsidiary
3	FNS Agro Foods Limited	Full	Subsidiary
4	HMA Natural Foods Private Limited	Full	Subsidiary
5	Swastik Bone and Gelatines Private Limited	Full	Subsidiary
6	Laal Agro Food Private Limited	Full	Subsidiary
7	United Farm Products Private Limited	Full	Subsidiary
8	JFF Export Private Limited	Full	Subsidiary
9	Reliable Agro Foods	Full	Subsidiary
10	Indus Farmers Food Co. LLP	Full	Associate

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Puneet Kansal Director CARE Ratings Limited Phone: 120-4452018 E-mail: puneet.kansal@careedge.in
Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Sandeep Aggarwal Associate Director CARE Ratings Limited Phone: 120-4452062 E-mail: Sandeep.aggarwal@careedge.in
	Shabnam goyal Lead Analyst CARE Ratings Limited E-mail: Shabnam.goyal@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**