HMA Agro Industries Limited

June 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	1,231.00 (Enhanced from 931.00)	CARE A-; Stable / CARE A2+	Reaffirmed
Short-term bank facilities	19.00	CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Reaffirmation in 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 FY26 (FY refers to April 01 to March 31). Ratings also take cognisance of marginal improvement in profitability margins in FY26, with comfortable capital structure and liquidity position.

However, ratings continue to remain constrained by HMA's working capital intensive operations with high 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 ₹8000 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.

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. Subsidiaries operate in a similar business and are run by common management. Companies consolidated are listed under Annexure-6.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that the entity is likely to benefit from its established relationship with customers/suppliers and sustain the comfortable financial risk profile due to promoters' extensive experience in this line of 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. Gulzar Ahmad, Chairperson and Managing Director, has extensive experience in livestock trading and meat exports and oversees management, new plant setups, and industry network

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

development. Promoters are well qualified, and have significant industry experience, supported by a professional management team with extensive experience.

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 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 of operations and comfortable profitability margins

HMA reported a total operating income (TOI) of ₹7022.64 crore in FY26, reflecting a compound annual growth rate (CAGR) of 32.66% in the last five years and 34.67% year-on-year (y-o-y) growth from ₹5214.53 crore in FY25. The growth was primarily driven by scale-up in core operations, higher sales to Vietnam, and Egypt among others. However, performance moderated in Q4FY26 (refers to January 01, 2026, to March 31, 2026) due to disruptions arising from geopolitical conflict in West Asia and subdued demand for beef in Saudi Arabia during the peak summer season starting March onwards. Despite elevated freight costs and temporary trade disruptions due to geopolitical conflicts, exports continued to account for over ~90% of total revenue, and PBILDT margin improved to 3.78% in FY26, from 3.42% in FY25. The company's scale is expected to further increase in FY27, supported by adequate demand of its food products and commencement of mutton export.

Comfortable financial risk profile

The company has a comfortable capital structure, with overall gearing below unity in the last few financial years. Overall gearing stood at 0.93x as on March 31, 2026, against 0.66x on March 31, 2025. HMA's debt profile primarily comprise working capital borrowings with negligible term loans. Interest coverage ratio remained comfortable at 7.67x in FY26 (PY: 6.65x).

Key weaknesses

Working capital intensive operations

High working capital intensity remains an inherent characteristic of the meat processing and export industry, primarily driven by the need to maintain sizeable inventory across raw materials (livestock), finished goods (frozen and processed meat), and goods in transit to ensure continuity in operations and timely execution of export orders. The company maintains inventory levels of ~8-9 days; however, there have been elongation in inventory holding days due to increased transit timelines amid geopolitical disruptions, resulting in relatively higher stock-in-transit levels during last few months. The receivable cycle remains moderate at ~30-40 days, given the export-oriented nature of operations, where payments from overseas customers are generally realised within a month of delivery, while payments to livestock suppliers are largely made promptly, limiting bargaining flexibility. Elevated logistics, freight, and cold storage costs further increase working capital requirements. Given these factors, the company continues to depend on external working capital borrowings to support its operational cycle. Expansion through acquisition of additional abattoirs on lease model and long transit durations are expected to keep inventory levels elevated, sustaining high working capital intensity and reliance on external debt funding.

Presence in highly competitive industry with exposure to regulatory and geopolitical risks

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, geopolitical conflicts, and regulations in importing countries can impact market access for the company. The meat industry is highly fragmented, with intense competition from organised and unorganised players, affecting market position and pricing. The company's profitability in the last three financial years has been relatively moderate due to increase in the cost of livestock, which form the core of its raw material base and elevated freight expenses due to geopolitical tensions. Given that the company typically receives export orders with a lead time of five to six months, sales realisations are largely locked in advance. Consequently, sharp increase in input costs, including livestock and freight, cannot be immediately passed on to customers, impacting margins in the short term. The company remains significantly reliant on exports, contributing to over 90% of its total income, exposing it to foreign exchange fluctuation risks. 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
HMA's liquidity profile remains adequate with expected gross cash accruals (GCA) of ~₹189.00 crore against repayment obligations of ~₹3.27 crore in FY27. The company has no major capex plan in the near-to-medium term, and average utilisation of working capital limits is ~68% for 12 months ending April 2026, providing adequate liquidity buffer. The company maintains an average free cash and bank balance of ~₹300–400 crore, including free fixed deposits of ~200-250 crore, to support its working capital requirements.

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, 2025 (A)	March 31, 2026 (Abr)
Total operating income	5214.53	7022.64
PBILDT	178.53	265.18
Profit after tax (PAT)	87.71	165.19
Overall gearing (x)	0.66	0.93
Interest coverage (x)	6.65	7.67

A: Audited; Abr: Abridged; Note: These are latest available financial results.

Standalone

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Abr)
Total operating income	4,943.02	6864.24
PBILDT	113.70	182.79
Profit after tax (PAT)	60.17	127.11
Overall gearing (x)	0.64	0.93
Interest coverage (x)	4.65	5.41

A: Audited; Abr: Abridged; 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	-	-	-	-	1231.00	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 2026-2027	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
1	Fund-based - LT/ ST-Working Capital Limits	LT/ST	1231.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (30-Oct-25)	1)CARE A2+ (31-Mar-25)	-
2	Fund-based - ST-Forward Contract	ST	19.00	CARE A2+	-	1)CARE A2+ (30-Oct-25)	1)CARE A2+ (31-Mar-25)	-

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

To 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
11	International Agro Foods Export	Moderate	Joint Venture (49.41%)

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

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