

HMA Agro Industries Limited

October 07, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	1,731.00 (Enhanced from 1,231.00)	CARE A-; Stable / CARE A2+	Reaffirmed
Short-term bank facilities	RBI	19.00	CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of HMA Agro Industries Limited (HMA) continue to derive strength from the promoters' long track record in the processed food industry, particularly in frozen buffalo meat exports, its established market position with a well-spread international presence, recognised brands, and longstanding relationships with customers. Ratings also factor in significant growth in scale of operations and marginal improvement in profitability in FY26 (refers to April 01 to March 31), supported by higher demand across key export markets, and a comfortable financial risk profile characterised by a comfortable capital structure, moderate debt coverage indicators and adequate liquidity position.

However, ratings continue to remain constrained by the company's working capital intensive operations and consequent high reliance on working capital borrowings, profitability remains susceptible to volatility arising from fluctuations in livestock prices and freight costs, and foreign exchange and geopolitical risks associated with its export-oriented business profile. Ratings also remain constrained by its presence in a highly regulated and competitive industry, and susceptibility of livestock to diseases.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in operating income above ₹8,000 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/ joint venture (JV), together comprising the HMA Group, owing to financial and operational linkages between the parent and its subsidiaries/ JV. Subsidiaries/ JV operate in a similar business and are run by common management. Companies consolidated are listed under Annexure-5.

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

Significant growth in scale of operations and improvement in profitability margins

HMA reported a total operating income (TOI) of ₹7,037.01 crore in FY26, registering a significant growth of ~35% over ₹5,214.53 crore in FY25. The increase was supported by higher sales realisation and sustained export volumes, established market position in the buffalo meat export industry and continued demand for its products across international markets. However, performance moderated in Q4FY26 due to weaker demand from Saudi Arabia in the peak summer season and shipment disruptions arising

¹SEBI: 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

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

from geopolitical tensions in West Asia. Despite these challenges and elevated freight costs, PBILDT margin improved to 3.77% in FY26 from 3.42% in FY25, aided by higher sales realisations, forex exchange gains and the pass-through of a substantial portion of freight costs to customers. However, the PBILDT margin remained low, given the trading nature of operations.

The company reported a significant improvement in operating performance in Q1FY27 (refers to April 01 to June 30), with TOI increasing to ₹2,182.08 crore from ₹1,122.61 crore in Q1FY26. PBILDT margin also improved to 3.72%, aided by improved sales realisations due to higher demand of food products in the West Asia conflict, and forex exchange gains arising from depreciation of the Indian Rupee. Going forward, the company is expected to continue benefiting from its established export presence across over 50 countries and its longstanding relationships with customers.

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

HMA is one of the leading exporters of frozen buffalo meat in India, with a market share of ~10% per the Agricultural and Processed Food Products Export Development Authority (APEDA) in the 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, largely comprising 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 established brand recognition and recall among end-users at local stores in these countries.

Comfortable financial risk profile

The company's financial risk profile continues to remain comfortable, supported by improvement in net worth and comfortable debt coverage indicators. Net worth increased to ₹961.84 crore as on March 31, 2026, from ₹809.40 crore as on March 31, 2025, aided by accretion of profits to reserves. The capital structure remained comfortable with adjusted overall gearing below unity, though moderated to 0.88x as on March 31, 2026, from 0.66x as on March 31, 2025, considering higher working capital borrowings due to significant increase in scale of operations and elevated inventory levels to meet higher product demand. Debt profile continues to comprise predominantly working capital borrowings, while term debt remains negligible. Debt coverage indicators remained comfortable, with interest coverage improving to 7.67x in FY26 from 6.65x in FY25. However, the company has plans to establish three additional processing facilities, but the projects remain at a preliminary stage, with regulatory approvals under process and project cost and funding mix yet to be finalised. Consequently, no significant debt funded capex outlay is envisaged in the near term. Sustenance of capital structure and debt coverage indicators amid an increase in working-capital borrowings with the scale-up in operations and elevated inventory levels will remain a key rating monitorable.

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

Key weaknesses

Working capital intensive operations

The company's operations remain working capital intensive owing to the inherent characteristics of the meat processing and export industry. The requirement to maintain adequate inventory of livestock, finished goods and stock-in-transit for timely execution of export orders results in sizeable working capital requirements. Inventory levels increased in FY26, primarily due to higher stock-in-transit under CIF export arrangements and elongated transit timelines amid geopolitical disruptions. The company maintains inventory in transit of ~₹1,200-1,300 crore, in addition to raw material inventory of ~₹250-300 crore. Payments to farmers and livestock suppliers are generally made on the same day of procurement, resulting in limited creditor support. Receivable risk remains low due to receipt of ~30% advance from customers and recovery of the balance amount upon clearance of the bill of lading at the destination port. Consequently, with the significant increase in sales and higher inventory requirement, working capital borrowings increased to ₹834.13 crore as on March 31, 2026, from ₹503.02 crore as on March 31, 2025. Given the expected growth in scale of operations and inventory requirements associated with export contracts, the working capital intensity is expected to remain high in the medium term.

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 5-6 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 remain susceptible to such risks. 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 ~₹260 crore against repayment obligations of ~₹10 crore in FY27. Average utilisation of working capital facilities remained ~74% for 12 months ended July 2026, providing adequate cushion in sanctioned limits. The company maintains free cash and bank balances (including free fixed deposits) of ~₹200-250 crore, to support its working capital requirements. While the company plans to establish three additional processing facilities, projects remain at a preliminary stage, with regulatory approvals under process and project cost and funding mix yet to be finalised. Consequently, no significant debt funded capex outlay is envisaged in the near term.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[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, which has an operating track record of over four decades in the meat processing industry. The group manufactures and exports frozen boneless buffalo meat and has also diversified into seafood, pet food, rice and finished leather. HMA is recognised as a Star Export House by the Government of India and ranks among top three exporters of frozen buffalo meat from India. The company accounted for ~10% of the country's frozen buffalo meat exports in the last few years. Its key export markets include Vietnam, Malaysia, Indonesia and Egypt, among others.

Brief Financials (₹ crore) (Consolidated)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	5,214.53	7,037.01	2,182.08
PBILDT*	178.53	265.17	81.05
Profit after tax (PAT)	87.71	165.19	50.51
Overall gearing (x)	0.66	0.88	NA
Interest coverage (x)	6.65	7.67	6.90

A: Audited; UA: Unaudited; NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Brief Financials (₹ crore) (Standalone)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	4,943.02	6,889.44	2,143.62
PBILDT*	113.70	193.63	55.29
Profit after tax (PAT)	60.17	127.11	31.91
Overall gearing (x)	0.64	0.93	NA
Interest coverage (x)	4.65	5.74	4.82

A: Audited; UA: Unaudited; NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	NA	-	-	-	-	1731.00	CARE A-; Stable / CARE A2+
Fund-based - ST-Forward Contract	RBI	NA	-	-	-	-	19.00	CARE A2+

NA: Not Applicable

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	1731.00	CARE A-; Stable / CARE A2+	1)CARE A-; Stable / CARE A2+ (30-Jun-26)	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-Jun-26)	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: Lender details**To view lender-wise details of bank facilities please [click here](#)**Annexure-5: 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%)

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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