



Press Release

HMA Agro Industries Limited

June 1, 2023

Ratings

| Facilities | Amount (Rs. crore) | Ratings | Rating Action | Complexity Indicator |
|------------------------------|---|---|--|--|
| Long Term Bank Facilities | 300.00 | IVR BBB+/ Negative ISSUER NOT COOPERATING* (IVR triple B plus with Negative outlook Issuer Not Cooperating) | Revised from IVR A-/ Stable (IVR A minus with Stable outlook) and Moved to Issuer Not Cooperating category | Simple |
| Total | 300.00 (Rupees Three hundred crore only) | | | |

**Issuer not cooperating, based on best available information*

Details of Facilities are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding HMA Agro Industries Limited (HAIL) performance and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the company is commensurate with its rating and reviews the same as per its policy.

The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the company.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data & NDS to monitor its assigned rating to the bank facility, vide mail communications dated February 3, 2023, March 14, 2023, April 3, 2023, April 24, 2023, May 12, 2023, May 17, 2023, May 19, 2023, May 22, 2023 and concurrently over several phone calls. However, despite



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repeated requests by Infomerics, the company's management has not submitted surveillance fees and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, long-term ratings of the bank loan facilities aggregating to INR 300.00 crore of HMA Agro Industries Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR BBB+/ Negative ISSUER NOT COOPERATING' based on best available information (IVR triple B plus with negative outlook Issuer not cooperating based on best available information).

Analytical Approach & Applicable Criteria: Standalone

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Rating Methodology for Manufacturing companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria of Rating Outlook](#)

About the Company

HMA Agro Industries Ltd. (HAIL) was established in April 2008 and started its commercial operation in 2010. HMA has an Abattoir cum Meat Processing plants in disease free zone at 5 Unnao and Agra (Uttar Pradesh), Dera Bassi (Punjab) and Parbhani (Maharashtra), additionally the company also has two plants in lease in Dashna (Uttar Pradesh) and Malegaon (Maharashtra) in India. It has export capacity of 1,75,000 MT of frozen HALAL boneless and deglarded Buffalo meat. In order to have effective and hygiene storage of bulk quantities of Frozen Meat, the company has established a contemporary warehousing and cold storage wing, which is bestowed with cutting- edge facilities. All HALAL operations/practices are being certified & supervised by Jamiat Ulama-E-Hind, New Delhi. At present the Company is approved for export around in more than 40 countries.

Financials (Standalone)

(INR Crore)

| For the year ended / INR. Crore | 31-03-2020 | 31-03-2021 |
|---------------------------------|------------|------------|
|---------------------------------|------------|------------|



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| | Audited | Audited |
|---------------------------|---------|---------|
| Total Operating Income | 2415.50 | 1709.20 |
| EBITDA | 103.10 | 105.80 |
| PAT | 44.50 | 73.00 |
| Total Debt | 174.00 | 169.00 |
| Tangible Net Worth | 169.30 | 257.10 |
| EBITDA Margin (%) | 4.27 | 6.19 |
| PAT Margin (%) | 1.84 | 4.24 |
| Overall Gearing Ratio (x) | 1.03 | 0.66 |

* As per Infomerics Standard

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

| Sr. No | Name of Instrument/Facilities | Current Rating (Year 2023-24) | | | Rating History for the past 3 years | | | |
|--------|-------------------------------|-------------------------------|--------------------------------|--|---|--|---|--------------|
| | | Type | Amount outstanding (INR Crore) | Rating | Date(s) & Rating(s) assigned in 2022-23 (Apr 6, 2022) | Date(s) & Rating(s) assigned in 2021-22 (Nov 29, 2021) | Date(s) & Rating(s) assigned in 2020-21 | |
| | | | | | | | Sep 30, 2020 | Sep 25, 2020 |
| 1. | Pre Shipment Credit | Long term | 125.00 | IVR BBB+/ Negative ISSUER NOT COOPERATING* | IVR A-/ Stable | IVR BB+ ISSUER NOT COOPERATING* | IVR BBB+/ Stable | - |
| 2. | Post Shipment Credit | Long term | 175.00 | IVR BBB+/ Negative ISSUER NOT COOPERATING* | IVR A-/ Stable | - | - | - |
| 3. | Export Credit Facility | Long term | - | - | - | IVR BB+ ISSUER NOT COOPERATING* | IVR BBB+/ Stable | - |



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| Sr. No | Name of Instrument/Facilities | Current Rating (Year 2023-24) | | | Rating History for the past 3 years | | | |
|--------|-------------------------------|-------------------------------|--------------------------------|--------|---|--|---|--------------|
| | | Type | Amount outstanding (INR Crore) | Rating | Date(s) & Rating(s) assigned in 2022-23 (Apr 6, 2022) | Date(s) & Rating(s) assigned in 2021-22 (Nov 29, 2021) | Date(s) & Rating(s) assigned in 2020-21 | |
| | | | | | | | Sep 30, 2020 | Sep 25, 2020 |
| 4. | Proposed facility | Long term | - | - | - | IVR BB+ ISSUER NOT COOPERATING* | IVR BBB+/Stable | - |
| 5. | Post Shipment Credit | Short term | - | - | - | IVR A4+ ISSUER NOT COOPERATING* | IVR A2 | IVR A2 |

* Issuer did not cooperate; based on best available information

Name and Contact Details of the Rating Analyst:

| | |
|---|---|
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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.



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Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

| Name of Facility | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (Rs. Crore) | Rating Assigned/ Outlook |
|----------------------|------------------|------------------|---------------|------------------------------|--|
| Pre-Shipment Credit | - | - | - | 125.00 | IVR BBB+/ Negative ISSUER NOT COOPERATING* |
| Post Shipment Credit | - | - | - | 175.00 | IVR BBB+/ Negative ISSUER NOT COOPERATING* |

**Issuer did not cooperate; based on best available information*

Annexure 2: Facility wise lender details: Not Applicable

Annexure 3: List of companies considered for consolidated analysis: Not Applicable



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Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com

