



Press Release

HMA Agro Industries Ltd.

November 29, 2021

Ratings

Facilities	Amount (Rs. crore)	Current Ratings*	Previous Ratings*	Rating Action
Long Term Bank Facility – Fund Based	160.00	IVR BB+; ISSUER NOT COOPERATING (IVR Double B plus; Issuer Not Cooperating)	IVR BBB+/Stable (IVR Triple B plus with Stable outlook)	Downgraded and moved to ISSUER NOT COOPERATING category
Proposed Long Term Bank Facility- Fund Based Limit	90.00	IVR BB+; ISSUER NOT COOPERATING (IVR Double B plus; Issuer Not Cooperating)	IVR BBB+/Stable (IVR Triple B plus with Stable outlook)	Downgraded and moved to ISSUER NOT COOPERATING category
Short Term Bank Facility- Fund Based Limit	50.00	IVR A4+; ISSUER NOT COOPERATING (IVR A Four plus; Issuer Not Cooperating)	IVR A2 (IVR A Two)	Downgraded and moved to ISSUER NOT COOPERATING category
Total	300.0 (Three hundred crore rupees only)			

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

Details of Facility are in Annexure 1

Detailed Rationale

The rating revision is because of lack of adequate information regarding HMA Agro Industries Ltd.'s 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.



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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 to monitor its assigned rating to the bank facilities, vide E-mail communications dated October 28th, 2021, November 16th, 2021, and November 18th, 2021, and concurrently over several phone calls. However, despite 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, the long-term and short term ratings for the bank loan facilities aggregating to INR 300.00 Crore of HMA Agro Industries Ltd. shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the revised rating be noted as 'IVR BB+: Issuer Not Co-operating (IVR double B plus; ISSUER NOT COOPERATING) and IVR A4+ Issuer Not Cooperating (IVR A four plus; 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)

About the company

HMA Agro Industries Ltd. (HMA) 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 Aligarh and Agra in the state of Uttar Pradesh and one in Dera bassi in the state of Punjab in India. It has export capacity of 1,75,000 MT of frozen HALAL boneless and deglanded Buffalo meat. In order to have effective and hygiene storage of bulk quantities of Frozen Meat,



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the company has established a contemporary warehousing and cold storage wing, which is bestowed with cutting– edge facilities.

Financials (Standalone)

(Rs. Crore)

For the year ended* / As On	31-03-2019	31-03-2020
	Audited	Provisional
Total Operating Income	2782.56	2425.92
EBITDA	57.22	53.79
PAT	30.79	32.95
Total Debt	124.27	160.00
Tangible Net worth	140.14	173.98
EBITDA Margin (%)	2.06	2.22
PAT Margin (%)	1.11	1.36
Overall Gearing Ratio (x)**	0.89	0.92

* 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 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 September 30, 2020	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Fund Based Limit	Long Term	160.00	IVR BB+; ISSUER NOT COOPERATING	IVR BBB+/ Stable	-	-



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Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2021-22)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2020-21 September 30, 2020	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
2.	Proposed Fund Based Limit	Long Term	90.00	IVR BB+; ISSUER NOT COOPERATING	IVR BBB+ /Stable	-	-
3.	Fund Based Limit	Short Term	50.00	IVR A4+; ISSUER NOT COOPERATING	IVR A2	-	-

* Issuer did not cooperate; based on best available information

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.

Name and Contact Details of the Rating Analyst:

Name: Mr. Abhishek Nayak Tel: (033) 46022266 Email: abhihsek.nayak@infomerics.com	Name: Mr. Sandeep Khaitan Tel: (033) 46022266 Email: sandeep.khaitan@infomerics.com
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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Firm's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

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, suspend 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



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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 Facility

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits	-	-	-	160.00	IVR BB+; ISSUER NOT COOPERATING*
Long Term Fund Based Limits	-	-	-	90.00	IVR BB+; ISSUER NOT COOPERATING*
Short Term Fund Based Limits	-	-	-	50.00	IVR A4+; 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

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

Annexure 5: Complexity level of the rated Instruments/Facilities

Sr No.	Instrument	Complexity Indicator
1.	Fund Based Limit	Simple
2.	Proposed Fund Based Limit	Simple
3.	Fund Based Limit	Simple

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.