

# All About



**HMA**  
AGRO INDUSTRIES LTD.  
GOVERNMENT RECOGNISED STAR EXPORT HOUSE

Sector - Pharmaceutical



Issue Opens - Jun 20, 2023 to Jun 23, 2023

Price Band  
₹555 to ₹585

Face Value  
₹10

Lot Size  
25 Shares

Issue Size  
₹480.00 Cr.

Issue Type  
Book Built

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# Important Events



Issue Size

₹480.00 Cr

Fresh Issue

₹150.00 Cr

Offer for Sale

₹330.00 Cr

Basis of Allotment

Thursday, 29 June 2023

Initiation of Refunds

Friday, 30 June 2023

Credit of Shares to Demat

Monday, 3 July 2023

HMA Agro LTD IPO Listing  
Date

Tuesday, 4 July 2023

## Promoters

- Wajid Ahmed, (Managing Director)
- Gulzar Ahmad, (Chairman and Whole Time Director)
- Mohammad Mehmood Qureshi, Mohammad Ashraf Qureshi and Zulfiqar Ahmad Qurashi

Promoters collectively hold 100% (Pre Issue) of the Equity Share.

# About Company



- HMA Agro Industries Limited is one of the largest food businesses in the field of food and agricultural products including fresh boneless and glandless buffalo meat, frozen/processed natural products , vegetables and grains in India.
- They are one of the largest exporters of frozen buffalo meat products from India and account for more than 10% of India's total frozen buffalo meat exports. Their packaged products are branded "Black Gold", "Kamil" and "HMA". Products are exported to more than 40 countries around the world. United Arab Emirates, Iraq, Saudi Arabia, Oman, Bahrain, Jordan, Algeria, Egypt, Angola, Vietnam, Indonesia, Georgia, Malaysia, Cambodia and other countries in the Middle East, CIS and Europe Fly. , et cetera.
- Their packaged meat processing plants are located in Aligarh, Mohali, Agra and Parbhani. They are setting up 5tj fully integrated meat products processing unit in Haryana. They also have two more secondary meat processing units in Jaipur and Manesar.

## Product Portfolio

HMA Group has been in the meat industry. They only deal in buffalo meat and allied products

They have recently diversified their product portfolio by adding Frozen Fish Products, Basmati Rice, Poultry and other agri products as business verticals.

# Objects of the offer



- Working capital requirements of the company, and
- General corporate purpose.

## Track Record Of Financial Performance

PARTICULARS	Mar-19	Mar-20	Mar-21
<i>Net Sales</i>	2,742.10	2,372.80	1,707.50
<i>Operating Profit</i>	22.8	60.4	103.9
<i>Profit Before Tax</i>	48	60.2	99
<i>Net Profit</i>	26.1	44.5	73
<i>Adjusted EPS (Rs.)</i>	0.55	0.94	1.55
<i>Total Reserves</i>	137.1	181.3	254.4
<i>Borrowings</i>	0	0	0
<i>Total Liabilities</i>	562.2	486.2	576.9
<i>Net Block</i>	41.8	49.2	37.9
<i>Capital WIP</i>	0	0.1	0.4
<i>Total Assets</i>	562.2	486.2	576.9
<i>Operating Cash Flow</i>	0	44	34.4
<i>Investing Cash Flow</i>	0	-29.4	-22.3
<i>Financing Cash Flow</i>	0	17.4	0.8
<i>Net Cash Flow</i>	0	32	12.9

<b>Earning Per Share (EPS):</b>	<b>₹18.83 per Equity Share</b>
<b>Price/Earning P/E Ratio:</b>	<b>19.4</b>
<b>Return on Net Worth (RoNW):</b>	<b>28.78%</b>
<b>Net Asset Value (NAV):</b>	<b>₹9.66 per Equity Share</b>



## Strengths

1. HMA Agro Industries is one of the top three meat exporters in India, known for its strong brands like "Black Gold", "Kamil" and "HMA". Operating for more than a decade, the company has managed to establish a strong brand presence with customers.
2. With exports to more than 40 countries around the world, the company has diversified market reach.

## Risks

1. Sponsor/Director, Subsidiaries and Group Company are parties to a number of legal procedures. Any adverse judgment in such proceedings could have a material adverse effect on the business.
2. A substantial portion of revenue comes from the meat business and a decrease in demand or production for these products could adversely affect the business
3. The Company does not have a long-term agreement with its suppliers of raw materials, which may lead to an increase in costs or a decrease in the source of farmed raw materials.

# Valuation and Outlook

The issue's price range, in terms of valuation, is INR 555 to 585 per share. A P/E ratio of 19.4x is based on a price range above INR 585 and FY22 EPS of INR 18.18.

There are no listed companies in India that engage in a business similar to that of HMA Agro Company. Accordingly, it is not possible to provide an industry comparison in relation to their Company.

This company is engaged in frozen buffalo meat exports and it is rising year over year amidst control of many regulatory bodies including APEDA. Based on its FY23 annualized earnings, the IPO appears Overpriced priced.

investors may consider to avoid this issue.