



Indian Edible Oils Industry: Key Trends and Credit Implications

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SUMMARY OPINION

- The demand for edible oils in India has shown a steady growth at a CAGR of 4.43% over the period from 2001 to 2011. The growth has been driven by improvement in per capita consumption, which in turn is attributable to rising income levels and living standards. However, the current per capita consumption levels of India (at 13.3 Kg/year for 2009-10) are lower than global averages (24 kg/year).¹ The Indian edible oils market continues to be underpenetrated and given the positive macro and demographic fundamentals it has a favourable demand growth outlook over the medium-to-long term.
- In terms of volumes, palm oil, soyabean oil and mustard oil are the three largest consumed edible oils in India, with respective shares of 46%, 16% and 14% in total oil consumption in 2010. Given the high price consciousness and varied taste preferences of Indian consumers, ICRA expects these three oils to continue to account for the bulk of edible oil consumption in the country.
- There has been a significant gap between demand and supply of edible oil because of limited availability of oil seeds and shifting of acreage to other crops in the domestic market. This gap has been met through imports, which account for almost 45-50% of the total oil consumption. In H1OY2010-11,² edible oil imports were observed to be the lowest in the last three years in view of improvement in domestic oilseed production. Notwithstanding that, ICRA expects the high dependence on imported oils to continue in the foreseeable future due to anticipated domestic supply constraints and the high cost competitiveness of imported oils. Refined and crude palm oil (CPO) have accounted for the major portion of edible oil imports in India (74% in OY2009-10) mainly due to their relatively low prices and ample availability. ICRA expects the dominance of palm oil in imports to continue in the near-to-medium term.

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¹ Oil World 2010

² OY – Oil Year refers to the period November to October

- Given the high reliance on imports, domestic edible oil prices have largely been linked to international edible oil prices. After the decline in FY09, international edible oil prices remained at subdued levels during most part of FY10. The prices of major edible oils rose in H2FY11 on account of anticipated higher demand for bio-fuels, given the high crude oil prices as well as expected production shortfalls in palm oil production. Prices have, however, corrected and stabilised in recent months on account of better-than-expected CPO production from Indonesia/Malaysia during Feb-March 2011; demand rationing due to high prices in developing countries suffering from high levels of food inflation besides the geopolitical situation in the Middle East and North Africa. The improved pricing levels for Oil Year (OY) 2011 as compared to OY 2010 have provided some comfort to small/medium scale domestic solvent extractors and enabled relatively better capacity utilisation levels. Over the near term, edible oil prices are expected to remain firm, considering the strong demand for alternative sources of energy like bio-fuels in view of the continued rise in crude oil prices.
- The Indian edible oil industry is highly fragmented, with the presence of a large number of participants in the organised and unorganised sectors. This has resulted in severe competition and inherently thin profitability margins. Further, the profitability of market participants has also been vulnerable to risks emanating from weak harvests; commodity price volatility and forex movements.
- ICRA notes that while the share of branded oils segment has remained low over the years, it is poised for growth in view of rising income levels; uptrend in urbanisation and increasing quality consciousness of Indian consumers.
- The Government of India has cut down import duties on edible oil since April 2008. The current duty differential between crude and refined oils stands at 7.5%, which provides protection to domestic refiners against competition from imported refined oils. Going forward, the industry's profitability is vulnerable to any reduction in this duty differential.
- From a business risk perspective, ICRA considers the flexibility to modify product portfolio as a key strength in a market characterised by commodity price volatility. Accordingly, players with a diversified presence and exposure to the three major categories of oil, namely, palm oil, soyabean oil and mustard oil, would be better positioned for growth as compared to players with single product concentration. Further, according to ICRA, the large-scale integrated players are better placed than small and mid-sized manufacturers to withstand the challenges in the business environment on the strength of benefits related to economies of scale such as marginally lower cost of production and access to cheaper working capital credit. From the perspective of revenue growth and profitability, market participants with a high share of established branded products are better placed than participants operating in the commoditised bulk market.
- In the recent past, the Indian edible oil industry has witnessed organic and inorganic expansion by some of its major participants. While ICRA views the increase in scale as a credit positive, the impact of these capex activities on the capital structure and the ability to scale up revenues and profitability to the envisaged extent will be some of the variables to be closely observed from a credit perspective.

BACKGROUND

Edible oils constitute an important component of food expenditure in Indian households. Historically, India has been a major importer of edible oils with almost 30-40% of its requirements being imported till 1980s. In 1986, the Government of India established the Technology Mission on Oilseeds and Pulses (TMOP) in order to enhance the production of oilseeds in the country. The TMOP launched special initiatives on several critical fronts such as improvement of oilseed production and processing technology; additional support to oilseed farmers and processors besides enhanced customs duty on the import of edible oils. Consequently, there was a significant increase in oilseeds area, production, and yields until the late-1990s. However, in order to fulfill its obligations towards various international trade agreements and also meet the increasing demand-supply deficits, India began to reduce import restrictions on edible oils in the late 1990s; and it was gradually brought under Open General License. This led to a significant slump in the domestic oil seeds market, as edible oil prices fell sharply in line with the low international prices prevailing at that time. Subsequently, the duty structure was modified

so as to maintain a duty differential between crude and refined varieties in order to protect the domestic industry. Nevertheless, due to high import dependence, domestic edible oil prices remain highly correlated to international edible oil price movement, and this has resulted in volatility in the key credit metrics of rated edible oil companies. At the same time, ICRA notes that edible oil companies with benefits of large-scale integrated operations, multi-product offerings and recognizable branded presence in retail markets have fared better as compared to small/medium-scale domestic oilseed crushers.

KEY TRENDS & CREDIT IMPLICATIONS

Favourable demand outlook for edible oils; underpenetrated market offers significant growth potential:

The demand for edible oils in India has shown a compounded growth of 4.5% over the last 10 years and is estimated at 16.2 million tonnes for Oil Year (OY) 2010-11. India plays an important role in the global edible oil market, accounting for approx. 10.2% share of consumption; 7% share of oilseed production; 5% share of edible oil production and 13.6% share of world edible oil imports for OY 2009-10. As per USDA estimates, India is the third largest consumer of edible oils (after China and the EU-27 countries); and will account for 11% of global edible oil demand and 16% of global imports in OY 2010/11F.

India's annual per capita consumption has shown a steadily increasing trend from 4 kg in the 1970s to 10.2 kg in the late 1990s to current levels of ~13.5 - 14 kg. However, it still ranks well below the world average of around 24 kg (per capita figures including consumption of bio-energy), thereby signifying the high growth potential of the industry. Refer Charts 1 and 2 for trend in domestic demand and per capita consumption of edible oils in India.

Chart 1: Domestic demand of edible oils

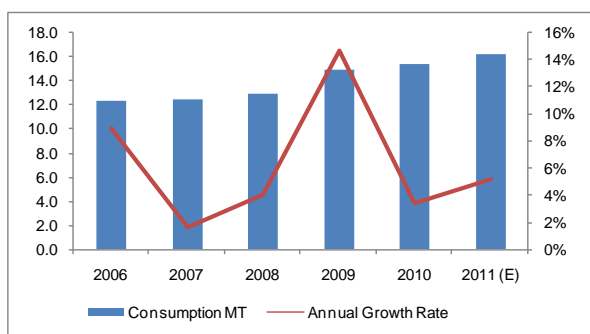
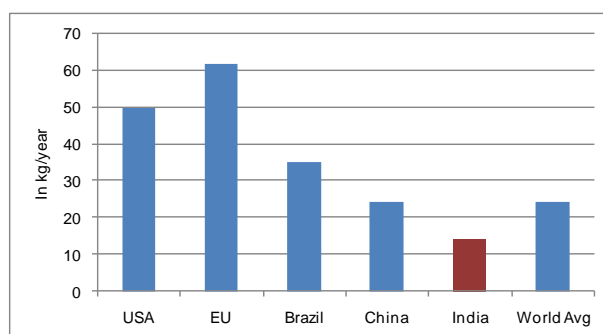


Chart 2: Per capita Consumption (2009-10)

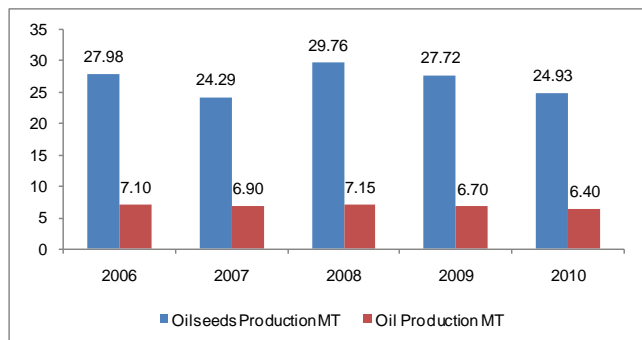
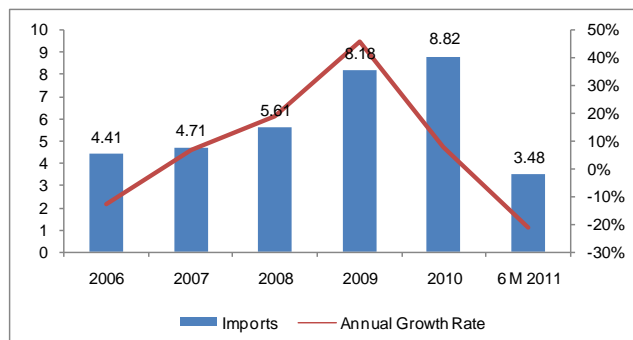


Source: Solvent Extractors Association of India (SEA) and ICRA Analysis

According to ICRA, the medium-to-long term demand outlook for edible oils in India is favourable (with expected growth in the vicinity of 4-5% p.a.), catalysed by the growing population and expected increase in per capita consumption which in turn would be driven by changing lifestyles; growing urbanization; increasing proportion of middle class population and steadily rising affluence levels.

Domestic production lags demand growth, thereby leading to heavy reliance on imports

As compared to demand growth for edible oils, the domestic oil and oilseed production has remained largely stagnant on account of low productivity in under-irrigated areas and shifting of acreage from oilseeds to other crops. This has resulted in a significant demand-supply gap, which has been met through imports which have been further incentivised by a sharp cut in import duties. In the period from 2001 to 2008, import duties on crude soyabean oil / palm oil were in a prohibitively high range of 40%-90%. In order to curtail inflation, Gol revised these protectionist tariffs downwards to 7.5% for refined palm / soybean oil and 0% for crude palm / soybean oil in April 2008, resulting in a surge in volumes of imported oils that currently meet almost 45-50% of domestic consumption requirements.

Chart 3: Domestic Oil & Oil Seeds Production**Chart 4: Oil Year-wise Edible Oil Imports**

Source: SEA and ICRA Analysis

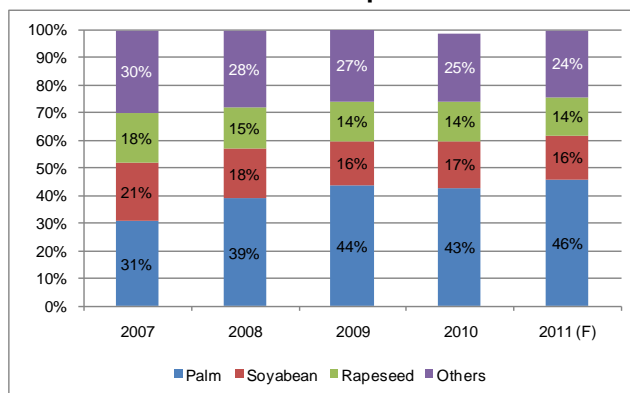
Reduction in import volumes witnessed for the first time in the last three years during H1OY2010-11; nonetheless, high dependence on imported oils is expected to continue

Edible oil imports witnessed a sizeable 21% y-o-y reduction in H1 OY2010-11 (November 2010- April 2011), as can be observed in Chart 4. This has largely been on account of relatively higher domestic oilseed availability (~29-30 MT expected for OY2011 as against 24.9 MT for OY2010) and consequently higher domestic oil production. The high crude palm oil prices (trading almost at par with soya during December 2010- February 2011), following concerns over production estimates in Malaysia, also resulted in lower imports, as edible oil players resorted to running down of inventory levels. The subsequent improvement in estimates of palm oil production has led to some correction in prices, which coupled with forthcoming festive demand is likely to revive import volumes in H2OY2011.

Considering the current year domestic edible oil supply of 8.0-8.5 million tonnes per annum and factoring a normal growth of 2%-3% (through moderate expansion in cultivated area and yield improvements) in supply, ICRA expects the significant gap between domestic demand and supply to persist; and result in continued import dependence for at least 45% of consumption requirements, notwithstanding the dip in imports seen in H1OY2011.

Apart from price, consumption is also influenced by regional preferences; palm, soyabean and mustard oil are the three major edible oils

An important characteristic of the Indian edible oil consumption pattern is the variation in preferences across regions, driven by taste and availability. For instance, soyabean oil is mainly used in northern and central regions of India due to the local availability of soyabeans. Mustard oil is largely consumed in north-eastern, northern and eastern regions of India, as its pungency is a desired and inherent part of the local cuisine. Palm oil has increasingly become the oil of choice in southern India due to the warmer climate (palm oil gets a cloudy appearance in colder climates) and easy availability from South-east Asia. The increased health awareness also determines the consumption pattern with mustard and soya considered healthier than palm oil, which has higher levels of saturated fats. Oils like rice bran and olive are also gaining popularity due to their superior health properties, although their consumption remains fairly low in absolute terms. Further, price economics also have an important role to play in determining consumer choice, given that expenditure on edible oil constitutes a significant portion of the household budget.

Chart 5: Domestic Consumption Trend

Source: ICRA Research & Analysis

In terms of volume, palm, soyabean and mustard/rapeseed oil are the three major edible oils consumed in India and together account for 75% of the total edible oil demand, as indicated in Chart

5. While mustard oil is almost entirely produced within the country, soyabean oil is imported in significant quantities (about 45%-50%). Palm oil is entirely imported in crude form for refining in port-based refineries while some quantities are also imported in the refined form.

Given the cost economics and taste preferences of consumers, ICRA expects these three varieties of edible oil to dominate the consumption mix. Accordingly, companies with an exposure to these oil varieties stand to benefit. Given the inherent volatility in prices, ICRA believes that participants with a diversified presence across edible oil categories would be better placed than participants focused on a single variety of oil, due to the flexibility to modify product portfolio in line with market parity and maintain optimum capacity utilisation levels.

High fragmentation and competition put margins of domestic participants under pressure:

The edible oil industry in India is characterised by intense competition and fragmentation, with the presence of a large number of units attributable to low entry barriers such as low capital and low technical requirements of the business and a liberal policy regime (SSI reservation for traditional oilseeds and sales tax incentives by various state governments). While a number of inefficient units closed down after reduction of high import tariffs on imported edible oils, the average capacity utilisation rates of Indian oilseed processors remain very low (at ~30%-40%), with many of them operating only for a part of the year, that is, during the local harvest season of raw materials. As a result of this high competition and fragmentation, margins in the edible oil business tend to be thin. Further, they are exposed to risks of commodity price volatility and forex movements.

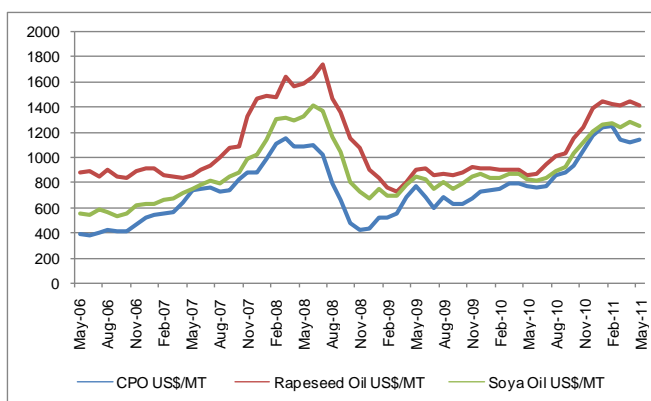
Notwithstanding the above, the market includes some large industry participants like Marico Limited, Cargill India Private Limited, Adani Wilmar Limited, Ruchi Soya Industries Limited and KS Oils Limited, which have a diversified product portfolio; multiple manufacturing units and operate on a pan India basis mainly in the branded segment. ICRA believes that the larger manufacturers by virtue of their scale enjoy certain advantages like access to cheaper working capital credit and savings in cost of production, which make them relatively better positioned to withstand margin pressures and difficult industry conditions.

Strong linkage between domestic and international edible oil prices:

The domestic edible prices are directly linked to the prices of imported palm and soyabean oil due to heavy reliance on imports and substitutability amongst oil varieties. Given the high volatility in international edible oil prices, domestic participants are exposed to the risk of unexpected squeeze on margins due to pricing mismatches between raw materials (which are linked to domestic factors) and final product prices (affected by global factors).

The international prices of edible oils increased sharply and reached their peaks around June 2008, driven by high crude oil prices that led to the diversion of edible oilseeds to bio-fuel usages apart from other shortages in supply. In August 2008, edible oil prices in local and international markets fell by more than 50% (month-on-month) because of a drop in crude oil prices; falling demand on account of global recession and healthy production figures. The prices remained volatile during FY10 with only a marginal recovery but remained lower than the peak average of FY09 on an overall basis. In recent months, edible oil prices have shown significant recovery, following increasing crude oil prices; anticipated increase in bio-fuel demand; expected production shortages for CPO production in Malaysia/Indonesia and growing demand. There is also a noticeable trend of reduction in differential between palm oil and other edible oils, especially soyabean and rapeseed oils. Given the likelihood of sustained high crude oil prices in the near term, ICRA believes that edible oil prices would continue to remain firm.

Chart 6: Edible Oil Price Movement



Source: Index Mundi

Industry remains vulnerable to the risk of narrowing import duty differential:

Beginning 2007-08, there has been a progressive reduction in import duties on crude and refined edible oils. Most of these policy changes have been made in order to comply with foreign trade agreements entered by India with other countries and associations such as ASEAN apart from meeting shortfalls in domestic supplies and curtailling inflation. In the last round of changes in duty structure (April 2008), the duty on crude palm oil was made 'nil' while that on refined palm oil was made 7.5% (7.7% including education cess), with the net duty differential being maintained at 7.5% to protect the domestic industry³. Going forward, the reduction of import duty differential remains a key regulatory risk for the industry.

Branded oil sales, although currently low in India, are expected to grow due to renewed thrust by major players

Given the presence of a large number of unorganised participants in the Indian edible oil market, the share of branded product sales has remained low with most low-income consumers opting for cheaper oils sold in loose form. As per industry data, only about 31% of urban households and about 9% of rural households consume branded edible oils, with the national average at 16%. Given the low penetration of branded oils; increasing affluence levels and quality consciousness of the Indian consumers, there is a significant growth potential in the branded segment. Amongst the major edible oils consumed, palm oil is still largely traded as a commodity and sold mostly in loose form, with packaged sales accounting only for 15%-20% of total sales. Sunflower and soya oil, on the other hand, have a high proportion of packaged sales estimated at around 70% and 55% of total sales. The major participants in the organised sector, namely, Ruchi Soya, Adani Wilmar Limited (AWL) & Cargill India, have a strong presence in the branded segment, with branded sales accounting for 38%, 58% and 60% of total edible oil sales of these companies respectively. Moreover, a few mid-sized, regional edible oil companies such as Mantora Oil Products Ltd, Modi Naturals and Tara Health Foods Ltd have also been striving to establish their brands. From a credit perspective, ICRA considers high share of branded sales as a strength, given the favourable outlook for growth; relatively high margins; stability of offtake and better pricing power as compared to the bulk market. Nonetheless, since branding activities entail high upfront outlay while sales volumes may take time to scale up, profitability margins of companies undertaking large-scale branding efforts are likely to come under pressure during the interim gestation period.

Some trends of consolidation visible in the industry; large-scale integrated players leading the capacity addition process through expansion as well as acquisition/consolidation

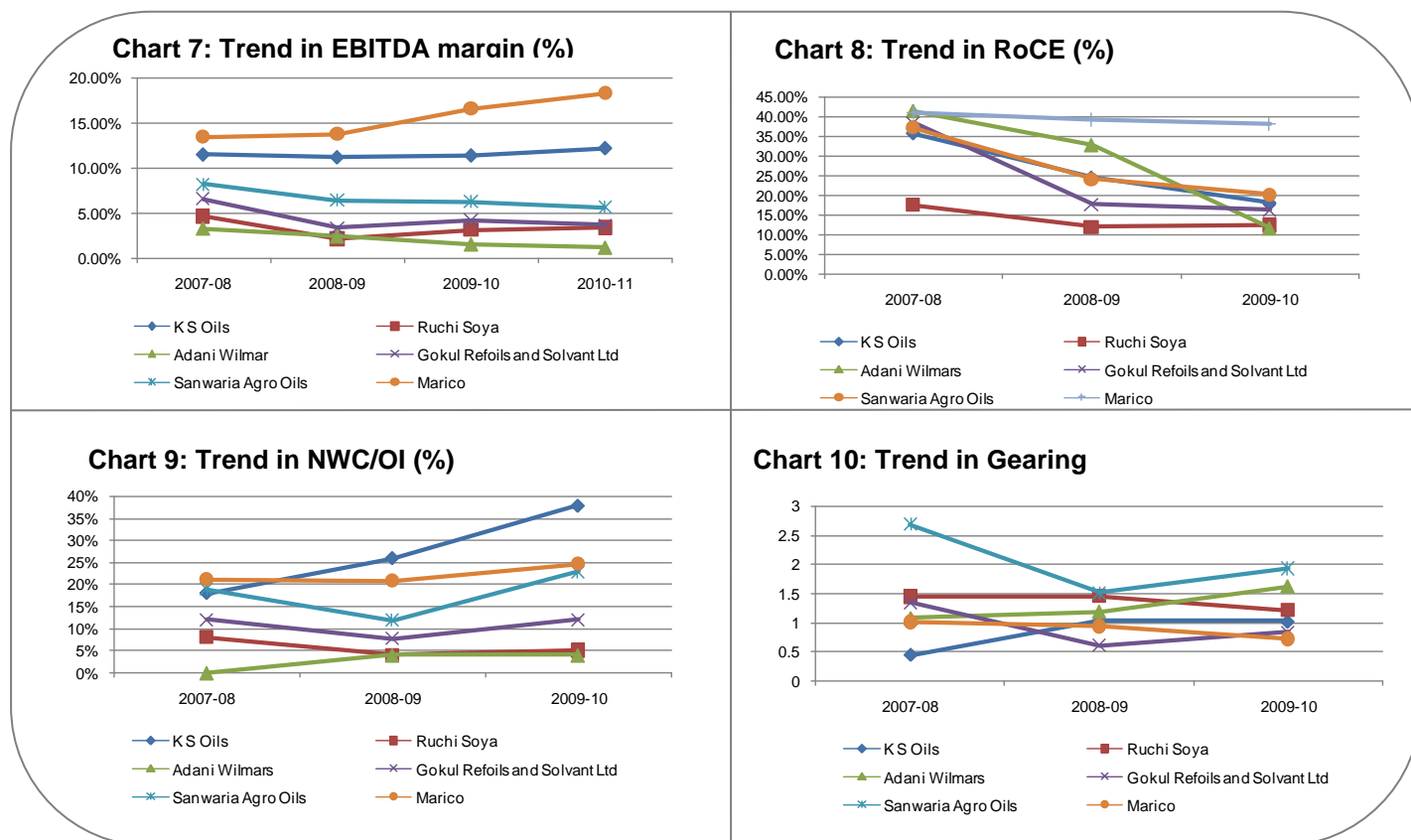
The edible oil industry in India in the recent past has witnessed both organic as well as inorganic expansion by some of the major players. AWL has added 1090 TPD of installed capacity for refining and 5050 TPD of installed capacity for seed processing during CY 2010-11 by acquiring five operational plants and undertaking expansion at three out of its four existing plants. AWL has also additionally taken over the operations of other Wilmar associates in India (like Acalmar Oils & Foods Limited) so as to consolidate its pan-India presence. Sanwaria Agro Oils Limited has added 1000 TPD crushing capacity in 2009 through acquisition of two plants. KS Oils has set up new facilities at Kota, Ratlam and Guna, totaling 3400-3600 tpd, and acquired a refining unit at Haldia. Further, some edible oil manufacturers have also undertaken backward integration to strengthen their overall business model. KS Oils has acquired 1,38,000 acres of palm plantations in Indonesia while Ruchi Soya has access to 1,75,000 hectares of agricultural land with palm plantations across different Indian states.

While ICRA considers this consolidation and capacity expansion trend as a favourable development due to the benefits associated with large scale of operations, on the flip side, the adverse impact of such activities on the capital structure; profitability and return metrics of the concerned companies, particularly during the gestation period, presents a downside risk.

³ Refined palm oil is the only major oil being imported in refined form because of proximity to sources of supply and the low fixed tariff value (of US\$ 484), which results in a low effective import duty. At current price levels of around US\$ 1200/tonne, the net effective duty on refined palm oil works out to only ~3.0% as compared to the declared duty of 7.7% (including education cess). This has proliferated import of refined palmolein, with its volumes increasing to 1.21 MT in 2009-10 (constitutes approx. 15% of the total imported edible oils) from 0.12 MT in 2006-07.

Financial profile of ICRA rated companies and other leading participants

Some key financial metrics of ICRA rated and other leading edible oil manufacturers are presented in Charts 7 to 10



Source: Company Financial Statements & ICRA Analysis

Operating margins have been at moderate levels; some brand-focused players have managed slightly superior margins:

Due to the low value addition in the business, operating margins (EBITDA level) for edible oil manufacturers have inherently been in a thin to moderate range. However, some brand-focused manufacturers such as Marico and KS Oils have achieved higher margins due to high brand penetration and pricing premium. Refer Chart 7 for EBITDA margin trend.

High proportion of trading revenues enhances the business risk of participants: ICRA has observed that many domestic edible oil companies have a high exposure to trading activities (in some cases as high as 30-40% of total sales). Given the low value addition and margins in the processing/refining business, promoters of some companies resort to opportunistic price-based trading in crude edible oils/seeds and maintain high levels of inventory in anticipation of price increases. ICRA notes that this aggressive trait of certain companies exposes them to the risk of losses in the event of sharp price fluctuations such as those seen in 2008-09.

RoCE of edible oil players witnessed a downward trend due to capacity additions and sub-optimal utilisation levels: Given the low capital intensity of the business, the return on capital employed for edible oil manufacturers has remained in an adequate range despite thin profitability. Over FY 09- FY 10 (Refer Chart 8), however, some pressure on RoCE was sighted due to a spate of capacity additions, wherein optimal capacity utilisation could not be achieved in the year of commissioning.

Business continues to be characterised by high working capital intensity: Working capital intensity (as measured by Net Working Capital/Operating Income) in the edible oil industry tends to be

high because of high inventory holdings, given the seasonality in raw materials (that is, availability of oil seeds). Higher prices and higher inventory holdings had an upward effect on the working capital intensity of most participants in 2009-10 (Refer Chart 9) and resulted in higher financial costs, thereby straining their net margins.

Moderately high gearing levels: The gearing levels of edible oil companies remain moderately aggressive due to high working capital intensity and debt-funded capex activities (Refer Chart 10).

CONCLUSION

ICRA expects the demand outlook for edible oils to remain favourable, given the positive macro indicators. Given the expected supply side constraints, import dependence would continue to be high and consequently domestic edible oil prices would remain linked and vulnerable to volatility in international edible oil price movements. Pricing and margin scenario are expected to be firm over the near term and capacity utilisation levels for small/medium scale manufacturers are likely to see marginal improvement in the current financial year, given the better availability of domestic oilseeds. On the regulatory front, ICRA expects the reduction of import duty differential to be a key risk for the industry. Further, ICRA expects that the recent consolidation and capacity expansion trend would gather further momentum and the large integrated brand-focused participants would be better positioned to garner the bulk of the growth in the coming years. From a credit perspective, significant slippages in profitability and/or high debt-funded capex would be some of the sensitivity variables.

July 2011

ANNEXURE

Table 1: Portfolio of ICRA-rated Edible Oil Companies

Company	Products	Ratings Outstanding *
Acalmar Oils & Fats Limited	Refined Palm oil, Sunflower oil, Soya oil and Vanaspati	LBBB-/A3
Adani Wilmar Limited	Refined Soya oil, Palm oil, Sunflower oil, Mustard oil and Vanaspati	LBBB+(Stable) /A2+
Balaji Agro Oils Limited	Rice Bran oil	LBB+/A4+
Bansal Extraction & Exports Limited	Soyabean oil	LB-/A4
Bhavesh Oil Industries	Cottonseed oil	LB+/A4
Cargil India Private Limited^	Palmolein, Soya oil, Sunflower oil & Vanaspati	LAA+(SO) (Stable) / A1+
Coromandel Agro Products & Oils Limited	Cottonseed oil	LBB+(Stable)/A4+
Deesan Agro-Tech Limited	Soyabean oil	LBB+(Stable)/A4+
Dinesh Oils Limited	Refined Palm oil and Soyabean oil	LBB(Stable)/A4
Divy Jyoti Industries Limited	Soyabean oil	LBB (Stable)/A4
Gem Edible Oils Private Limited	Sunflower oil	LBB+(Stable)/A4+
Gujarat Spices & Oilseeds Growers Co-operative Union Limited	Palm oil, Soyabean oil & Vanaspati	LBB+ (Stable) / A4+
Gokul Refoils & Solvent Limited	Refined Palm oil, Sunflower oil, Soya oil and Vanaspati	LBBB (Stable)/A2
Gopal Oil Industries	Cottonseed oil & Groundnut oil	LBB- (Stable) /A4
Gowthami Solvent Oils Private Limited	Sunflower oil & Rice Bran oil	LBB(Stable)/A4
Indumathi Refineries Private Limited	RBD Palmolein Trading	LB+/A5
Itarsi Oils & Flours Limited	Soyabean oil	LBB+(Stable)/A4+
Jhunjhunwala Oil Mills Limited	Rice Bran oil	LB/A4
Kallam Agro Products & Oils (Pvt) Limited	Cottonseed oil	LBB+(Stable)
Kaneriya Oil Industries	Cottonseed oil & Groundnut oil	LBBB- (Stable)
Kanpur Edibles Private Limited	Palm oil, Soyabean oil	LBB- (Stable) / A4
Kirti Agrotech Limited	Soyabean oil	LBB (Stable)
Kirti Agrotech Limited	Soyabean oil	LBB (Stable)
Kirti Foods Limited	Soyabean and Sunflower oil	LBB (Stable)
Kirti Solvex	Sunflower oil	LBB (Stable)
Krishnapatnam Oils & Fats Limited	Refined Palm oil, Sunflower oil, Soya oil and Vanaspati	LBBB- / A3
Laxmi Solvex	Soyabean oil	LBB- (Stable) / A4
Mantora Oil Products Limited	Soyabean and Mustard oil	LBB (Stable)
Modi Naturals Limited	Ricebran Oil	LBB (Stable)
National Proteins & Solvent Limited	Mustard and Cottonseed oil	LBB+ (Stable) A4+
N.K. Proteins Limited	Cottonseed oil, Groundnut oil and other oils	LBB+ (Stable) / A4+
Pooja Soya Industries Private Limited	Soyabean oil	LBB (Stable) / A4
Poona Dal & Oil Industries Limited	Sunflower oil, Soyabean oil and Palm oil	LBBB (Stable) / A3
Prestige Feed Mills Limited	Soyabean oil	LBB+ (Stable) / A4+
Ramkrishna Solvex Private Limited	Soyabean oil	LBB- (Stable) / A4
Rajshri Packagers Limited	Refined Palm oil, Sunflower oil, Soya oil and Vanaspati	LBBB+ (SO) (Stable) / A2+ (SO)
Sanwaria Agro Oils Limited		

Saurabh Agrotech Private Limited	Mustard oil, Groundnut oil & Soyabean oil	LBB+ (Stable) / A4+
Sheetal Refineries Private Limited	Rice Bran oil	LBB+ (Stable)
Sheetal Sidhi Veg Oil Private Limited	Rice Bran oil	LBB (Stable)
Shree Krishna Vanaspati Industries Limited	Vanaspati	LB/A4
Shree Ram Proteins Private Limited	Cottonseed oil	LB+ / A4
Shree Seco Private Limited	Mustard oil	LB+ / A4
Shri Gita Ginning & Oil Industries Limited	Cottonseed oil	LBB (Stable) / A4
Singh Industries Private Limited	Mustard oil	LB+
SKM Animal Feeds & Foods (India) Limited	Rice Bran oil, Palm oil	LBBB (Stable) / A2
Sri Anjaneya Agrotech Private Limited	Rice Bran oil, Sunflower oil	LB+
Sri Indra Solvent Oil Private Limited	Rice Bran oil	LB+
Sri Venkatrama Oil Industries Limited	Rice Bran oil	LBB (Stable) / A4
Tara Health Foods	Rice Bran oil	LBB / A4
Vaghai Agro Products Limited	Rice Bran oil	LBB+ (Stable) / A4+
Vimal Oils & Foods Limited	Cottonseed oil, Groundnut oil, Mustard oil and others	LBBB- (Stable) / A3

Note: Ratings are as on July 8, 2011; ^: The edible oils, grains and seeds division of the company contributes to about 70% of the total revenues. The rating factors in the guarantee extended by parent company Cargill Inc

Source: ICRA Limited



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