

July 09, 2024

## Cargill India Private Limited - Update on material event

### Summary of rating(s) outstanding

Instrument*	Previous Rated Amount	Current Rated Amount	Rating Outstanding
<b>Long term/short-term facilities –</b> (part of regional umbrella facilities for Asia Pacific subsidiaries of Cargill Incorporated)^	USD 75.00 million	USD 75.00 million	[ICRA]AA-(Stable)/[ICRA]A1+
<b>Short term – Umbrella facilities</b> (part of regional umbrella facilities for Asia Pacific subsidiaries of Cargill Incorporated)^	USD 355.13 million	USD 355.13 million	[ICRA]A1+
<b>Total</b>	<b>USD 430.13 million</b>	<b>USD 430.13 million</b>	
<b>Commercial paper</b>	<b>Rs. 300 crore</b>	<b>Rs. 300 crore</b>	[ICRA]A1+

\*Instrument details are provided in Annexure-1; ^ Part of the regional umbrella facilities for Asia Pacific subsidiaries of Cargill Incorporated

### Rationale

On July 05, 2024, ICRA came to know from Cargill India Private Limited (CIPL) about the occurrence of a technical delay on June 13, 2024, in terms of making an interest payment to one of its banks related to working capital demand loan. The interest amount involved was ~Rs. 65 lakhs and the payment was subsequently made on the next day. ICRA notes that the delay was on account of technical reasons on the part of the bank's systems and beyond the control of the company. Also, the company had adequate liquidity as on June 13, 2024, including undrawn overdraft facilities amounting to ~USD 244.85 million across all banks. The aforementioned delay has not been treated as a default by ICRA and this is in line with ICRA's Policy on Default Recognition.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, liquidity position, rating sensitivities, key financial indicators : [Click here](#)

### Analytical approach

Analytical Approach	Comments
<b>Applicable rating methodologies</b>	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Edible Oil</a> <a href="#">Policy on Default Recognition</a>
<b>Parent/Group support</b>	Parent/Group Company: Cargill Inc.  The ratings assigned to CIPL factors in the high likelihood of its ultimate parent, Cargill Inc. [rated Moody's A2/P-1], extending financial support to it because of the close business linkages between them. ICRA also expects Cargill Inc. to be willing to extend financial support to CIPL out of its need to protect its reputation from the consequences of a Group entity's distress. There also exists a track record of Cargill Inc having extended corporate guarantees to CIPL's lenders for its facilities.
<b>Consolidation/Standalone</b>	Standalone

## About the company

CIPL, incorporated in 1987, is a subsidiary of Cargill Mauritius Limited (CML) and a step-down subsidiary of Cargill Inc. It is engaged in handling, shipping, and processing various products, including refined oil, grain and oilseeds, sugar, cotton and animal feed. The company also has a trade and structured finance division, which provides trade support to customers. The company's operations are handled under four broad divisions – (i) food ingredient including edible oil (ii) trading in agriculture commodities such as foodgrains, feed grains and oilseeds (iii) animal nutrition and (iv) trade and structured finance. The edible oil division is its largest revenue driver and is primarily engaged in refining crude edible oil into branded refined oil. Majority of the company's edible oil business is marketed through retail channels under six different brands—Sunflower, Sweekar, Leonardo, Rath, Gemini and NatureFresh — across various oil types.

At present, the company has three refineries, one each at Kandla (Gujarat), Kurkumbh (Maharashtra) and Nellore (Andhra Pradesh), and a corn milling plant near Davangere in Karnataka. It also has animal feed plants across Sonapat (Haryana), Rajahmundry (Andhra Pradesh) and Bhatinda (Punjab). Apart from this, the company has ventured into cocoa trading and chocolate manufacturing (on tolling basis).

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Type	Amount Rated	Chronology of Rating History for the past 3 years			
			Current Rating (FY2025)			
			Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			Jul 09, 2024	Jan 29, 2024	Jan 06, 2023	Mar 31, 2022
1 Fund based/Non-fund based facilities*	Long term/Short term	75.00 million USD	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA-(Stable)/[ICRA]A1+	[ICRA]AA+(CE)(Stable)/[ICRA]A1+(CE)
2 Fund based/Non-fund based facilities*	Short term	355.13 million USD	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+(CE)
3 Commercial paper	Short term	Rs. 300.00 crore	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+

\*Part of the regional umbrella facilities for Asia Pacific subsidiaries of Cargill Incorporated

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term/Short-term – Fund-based/Non-fund based facilities	Simple
Short-term – Fund-based/Non-fund based facilities	Simple
Short-term – Commercial paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

#### Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated	Current Rating and Outlook
NA	Fund based/non-fund based facilities	-	-	-	75.00 million USD	[ICRA]AA- (Stable) / [ICRA]A1+
NA	Fund based/non-fund based facilities	-	-	-	355.13 million USD	[ICRA]A1+
NA	Commercial paper*	-	-	-	Rs. 300.0 crore	[ICRA]A1+

Source: Company; \*unplaced

#### Annexure-II: List of entities considered for consolidated analysis: Not Applicable

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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

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