

April 30, 2026

Transoceanic Agro Comm Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	45.00	56.00	[ICRA]BBB (Stable); reaffirmed and assigned for enhanced amount
Long-term – Interchangeable – Cash credit	(16.10)	(95.10)	[ICRA]BBB (Stable); reaffirmed and assigned for enhanced amount
Short-term – Non-fund based	180.00	310.00	[ICRA]A3+; reaffirmed and assigned for enhanced amount
Total	225.00	366.00	

*Instrument details are provided in Annexure II

Rationale

The rating action for Transoceanic Agro Comm Private Limited (Transoceanic) factors in its established operational track record and the extensive experience of its promoters in the edible oil trading business, which the company has leveraged to develop long relationships with its key customers and suppliers as well as risk management policies, aiding its revenue growth and earnings over the years. Additionally, stable business and adequate liquidity profiles on a sustained basis along with a consistent level of earnings, modest working capital cycle and low reliance on bank debt further support its financial risk profile. Transoceanic has reported a healthy revenue growth in FY2026, with estimated revenues of around Rs. 3,231 crore (Rs. 2,556 crore in FY2025). Besides, the ratings continue to factor in the increasing demand for edible oils in India, favouring the company.

The ratings are, however, constrained by Transoceanic's thin profit margins, given the trading nature of its operations in the intensely competitive edible oil trading industry. Hence, industry players remain exposed to any adverse policy movements in producing countries like Indonesia, Malaysia etc., such as export bans, changes in duty structures as well as agroclimatic risks resulting in low crop output. The company witnessed a sharp increase in finance expenses with a considerable rise in the secured overnight financing rate (SOFR) in FY2025, which, however, has softened over FY2026. Additionally, it is able to pass on the finance cost impact to its customers. Nonetheless, the company's coverage metrics witnessed some moderation due to an increase in the finance expenses. Transoceanic also relies on letters of credit (LCs) to fund its import business; therefore, the adequacy of these limits, margin money as well as the ability to receive credit from suppliers remains critical for the business.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will continue to benefit from the healthy demand outlook for the edible oil business, its adequate risk-mitigating mechanisms and its established relationships with customers and suppliers.

Key rating drivers and their description

Credit strengths

Established operational track record and extensive experience of its promoters in the edible oil trading industry – The company benefits from its long presence in the edible oil trading business, with operations dating back to 1947. Initially engaged in trading and providing clearing and forwarding services, the promoters expanded the scale of operations in 1984 by

venturing into large-scale trading and commission agency activities in vegetable oils. The Managing Director, Mr. Sunil Arora, brings in significant industry expertise with around three decades of experience in the import and trading of edible oils.

Strong relationships with customers ensure repeat orders; established raw material sourcing with a supplier network – The company enjoys strong relationships with its customers, which ensure repeat orders. Its extensive presence in the industry has enabled it to develop reliable raw material sourcing arrangements with a sizeable credit period, both in domestic and export markets. It also maintains associations with reputed brands such as Cargill, Bunge and Adani Wilmar in the domestic segment.

Back-to-back business model mitigates price fluctuation risk – Transoceanic largely operates on a back-to-back purchase and sales arrangement, which significantly reduces exposure to price volatility. Further, the company hedges most of its foreign exchange exposure through forward contracts. It also maintains adequate liquidity by holding free cash equivalent to outstanding letters of credit (LCs). The company can pre-close LCs as the usance period exceeds the receivable cycle. Additionally, the credit risk is mitigated through limited customer credit and debtor insurance coverage.

Modest working capital cycle reflected in low debtors and inventory levels resulting in limited dependence on debt – The company's working capital requirements remain low, supported by a short operating cycle, minimal debtors and limited inventory levels. Longer credit periods from overseas suppliers further aid in liquidity. Consequently, dependence on external borrowings is limited, as reflected by an estimated gearing of 0.3 times as on March 31, 2026.

Credit challenges

Exposure to regulatory, geopolitical and agro-climatic risks, as well as to changes in duty structures – The company remains exposed to risks arising from India's dependence on edible oil imports from countries such as Indonesia, Malaysia, Ukraine and Russia. Any adverse development in these regions such as export restrictions, geopolitical conflicts like the Russia-Ukraine war or poor crop yields could impact raw material availability and result in price volatility. Additionally, changes in import duties and agricultural cess by the Government of India pose regulatory risks for the industry. Nevertheless, ICRA expects the company's margins to remain largely stable, supported by its robust risk management practices.

Highly competitive and fragmented nature of industry limits pricing flexibility; low profit margins owing to trading nature of operations – The edible oil industry in India is highly competitive and fragmented, with numerous small players alongside established brands. Given the trading nature of operations without any value addition, the company's profit margins remain thin. However, its earnings are partly supported by the interest income from free fixed deposits maintained with banks.

Sizeable funding requirements, particularly for import business, through non-fund-based limits – The company relies on letters of credit (LCs) for import procurement of edible oils. Availability of adequate LC limits and the associated margin requirements are important for smooth operations. Further, its ability to secure extended credit periods from suppliers remains important for effective funding cycle management. The company's TOL/TNW continues to be moderately high, reflecting its dependence on creditors.

Liquidity position: Adequate

The company's liquidity position is Adequate, with sufficient cushion in cash credit limit of around Rs. 40 crore as of March 31, 2026 on a sanction of Rs. 63 crore and free cash and bank balance of around Rs. 165 crore, of which Rs. 93.3 crore is parked as margin money against LC. The average cash credit utilisation is 25% in the 12-month period ending in March 2026, given that fund-based requirements remain modest. Owing to the trading nature of its operations, no major capital expenditure (capex) is needed. The company has sufficient LC limits and margin money for the planned revenue for the current fiscal.

Rating sensitivities

Positive factors – The ratings could be upgraded in case the company is able to further scale up its business while managing the risks inherent in the edible oil trading business through operational prudence and maintenance of adequate liquidity buffers and coverage ratios.

Negative factors – The ratings could be downgraded in case of a material decline in revenues arising out of volatility in edible oil prices and/or moderation in demand due to adverse changes in import duty structure, resulting in weakening of earnings and coverage metrics. Additionally, a stretched working capital cycle causing deterioration in the liquidity position would be a negative rating factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financials of Transoceanic.

About the company

Transoceanic has been operating since 1990 and trades in edible oils. The promoters started the business in 1947 when the Delhi-based Arora family commenced trading, clearing and forwarding services in the vegetable oil industry. The company was originally called M/s Punjab Oil Traders. The promoters further expanded the business in 1984 and started operating on a large scale as commission agents and traders in vegetable oils. Over the years, the Group has strengthened its presence as one of the oldest and largest agents and traders of edible oil products in North India. The day-to-day operations are looked after by Mr. Sunil Arora, his nephew Mr. Sumit Arora and their family.

Key financial indicators (audited)

Transoceanic (standalone)	FY2024	FY2025
Operating income (OI)	2,473.6	2,556.8
PAT	7.2	12.9
OPBDIT/OI	0.6%	0.9%
PAT/OI	0.3%	0.5%
Total outside liabilities/Tangible net worth (times)	3.4x	2.6x
Total debt/OPBDIT (times)	3.1x	2.7x
Interest coverage (times)	1.3x	1.2x

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Transoceanic has ratings under Issuer Not Cooperating category (INC) from CRISIL (CRISIL B+/Stable/A4 INC) via a press release dated June 13, 2025, and CARE (CARE BB/Stable/A4 INC) via a press release dated May 14, 2025.

Any other information: None

Rating history for past three years

Instrument	Type	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
		Amount Rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	56.00	April 30, 2026	[ICRA]BBB (Stable)	Dec 05, 2025	[ICRA]BBB (Stable)	Nov 22, 2024	[ICRA]BBB (Stable)	Sep 04, 2023	[ICRA]BBB (Stable)
Interchangeable cash credit#	Long term	(95.10)	April 30, 2026	[ICRA]BBB (Stable)	Dec 05, 2025	[ICRA]BBB (Stable)	Nov 22, 2024	[ICRA]BBB (Stable)	Sep 04, 2023	[ICRA]BBB (Stable)
Letter of credit	Short term	310.00	April 30, 2026	[ICRA]A3+	Dec 05, 2025	[ICRA]A3+	Nov 22, 2024	[ICRA]A3+	Sep 04, 2023	[ICRA]A3+
Unallocated	Short term	-	-	-	-	-	-	-	Sep 04, 2023	[ICRA]A3+

Source: Company, # Sublimit of letter of credit

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various FSR as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI

Sr. No.	Activity Name	FSR
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) *The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.*

(#) *Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.*

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSR other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Interchangeable – Cash credit	Simple
Short-term – Non-fund based	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 analysing 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 are available on ICRA's website: [Click here](#)

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	–	–	–	56.00	[ICRA]BBB (Stable)
NA	Interchangeable cash credit	–	–	–	(95.10)	[ICRA]BBB (Stable)
NA	Letter of credit	–	–	–	310.00	[ICRA]A3+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis - Not applicable

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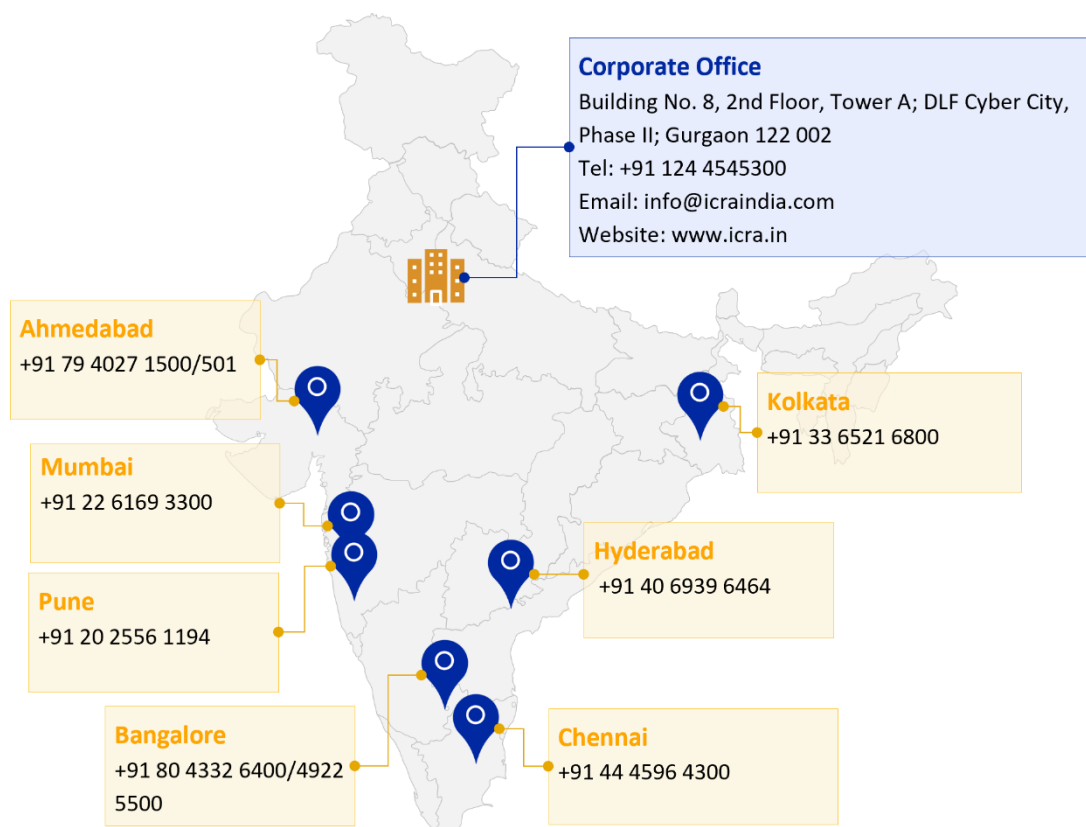
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