



## Cargill Global trading India Private Limited

ICRA has reaffirmed rating of [ICRA]A1+ (pronounced as ICRA A One Plus) for Rs 300.0 crore Commercial Paper (CP)/Short-Term Debt (STD) programme of Cargill Global Trading India Private Limited (CGTIPL)<sup>†</sup>. ICRA has also reaffirmed the short-term rating of [ICRA]A1+ (pronounced as ICRA A One Plus) for the various bank facilities (totalling Rs 70.0 crore and US\$ 333.0 million) of the company. ICRA has also reaffirmed its long-term rating assigned to US\$ 50.0 million bank facility at [ICRA]AA+ (SO) (pronounced as ICRA Double A Plus Structured Obligation). The outlook assigned to the long-term rating is “Stable”. The letter ‘SO’ in parenthesis suffixed to a rating symbol stand for Structured Obligation. An ‘SO’ rating is specific to the rated issue, its terms, and its structure. ‘SO’ ratings do not represent ICRA’s opinion on the general credit quality of the issuers concerned.

Rating Table

INSTRUMENT	Amount as on DEC 2014 <sup>‡</sup>	Rating Action
Fund Based/Non-Fund Based Facilities (part of the regional umbrella facilities for Asia Pacific subsidiaries of Cargill Incorporated)*	US\$ 50 mn (reduced from US\$ 100 mn)	[ICRA]AA+ (SO) stable/ [ICRA]A1+ reaffirmed
	US\$ 283 mn (enhanced from US\$ 263 mn)	[ICRA]A1+ reaffirmed
	Nil (reduced from Rs. 406.4 Cr)	
Fund Based/Non-Fund Based Facilities	Rs. 70.0 Cr	[ICRA]A1+ reaffirmed
Cash-backed Letters of Credit (LCs)	Rs. 100.0 Cr	[ICRA]A1+ reaffirmed
CP/STD	Rs. 300.0 Cr	[ICRA]A1+ reaffirmed

\* interchangeable with Cargill India Private Limited (CIPL); the long-term rating is assigned to the cash credit/over draft facility, a part of US\$ 383 million bank facilities rated on the short-term scale

While arriving at the rating ICRA has considered the consolidated operations of two subsidiaries of Cargill Inc. operating in India i.e. Cargill India Private Limited (CIPL) and CGTIPL. There is a strong business synergy between the two entities in India and a large part of the working capital bank facilities available to Indian subsidiaries are a part of regional umbrella facility of Cargill Inc.’s Asia Pacific subsidiaries and interchangeable between these two entities.

The [ICRA]AA+ (SO) rating and Stable Outlook assigned to the long term bank facilities factor in the guarantee extended by its parent Cargill Incorporated (rated A2/Stable/P-1 by Moody’s). Any change in the Moody’s rating or Outlook on Cargill Incorporated can result in revision in rating or outlook of the facilities rated by ICRA of CGTIPL.

The rating favorably considers the business and financial support available to CGTIPL from its parent, Cargill Inc, (rated A2/Stable/Prime1 by Moody’s Investors Services). CGTIPL undertakes the trade and structured finance business that involves structuring the trade for the customers and providing liquidity support to them, in association with CIPL. The company benefits from the strong operational integration with the parent and other Cargill Inc. subsidiaries in India. ICRA derives comfort from the fact that all the bank facilities of the company are fully backed by guarantee from Cargill Inc. Further, the operations and risk management practices of CGTIPL along with CIPL are well integrated with that of the parent. Cargill Inc. continues to have a strong control over these entities with all the business units operating in India being aligned with the respective division of the parent, periodic reporting of business performance as well as alignment of risk management practices. Further, the rating also take

\* 100 lakh = 1 crore = 10 million

<sup>†</sup> For complete rating scale and definitions, please refer to ICRA’s Website [www.icra.in](http://www.icra.in) or other ICRA Rating Publications

<sup>‡</sup> Though US\$ 433 million bank facilities of the companies are denominated in foreign currency, ICRA’s rating for the same are on national scale, as distinct from an international scale rating.



into account the amalgamation of Cargill Capital Financial Services India Private Limited (CCFSIPL/transferor) with CGTIPL.

### **Company Profile**

Cargill Global Trading India Private Limited (CGTIPL) is a step down subsidiary of Cargill Incorporated. The company is engaged in merchant trading of agricultural and other commodities where the goods do not physically enter the territorial waters of India besides providing the trade and structured finance services.

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