



Press Release

Mitsumi Distribution FZCO

May 19, 2023

Ratings:

Instrument / Facility	Amount (INR Crore)	Ratings	Rating Action	Complexity Indicator
Issuer Rating	-	IVR BB/ Negative; ISSUER NOT COOPERATING* (IVR Double B / Negative Outlook; ISSUER NOT COOPERATING*)	Revised and continued in ISSUER NOT COOPERATING Category	Not applicable

**Issuer did not cooperate; based on best available information*

Details of Facility are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Mitsumi Distribution FZCO (MDF) reflects lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

The lender, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned rating to the bank facilities, vide mail communications April 12, 2023, April 20, 2023, May 2, 2023, May 10, 2023, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted some of the essential details.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the ratings for the issuer rating of MDF shall be maintained in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR BB/ Negative; INC; based on best available information.



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Analytical Approach: Standalone

Applicable Criteria:

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Issuer ratings](#)

[Policy of default recognition](#)

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Trading Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

About the Company

MDF was formed in Dubai, United Arab Emirates in the year 2003 by Mr. Jagat Shah, CEO and Mr. Mitesh Shah, Managing Director of the company. The company provides a wide range of supply chain solutions for all categories of Information Technology products such as PCs, PC building blocks, networking, software and enterprise solution products and consumer and lifestyle products such as telecom, entertainment products and digital printing machines for leading brands in the market. The company has its footprints in most of Middle East and UAE and African countries.

Financials (Standalone)

(Rs. crore)

For the year ended / As on*	31-03-2022#	31-03-2023#
	Audited	Audited
Total Operating Income	2734.01	3359.07
EBITDA	90.85	120.81
PAT	78.26	96.62
Total Debt	371.07	391.21
Tangible Net worth	693.08	832.60
Ratios		
EBITDA Margin (%)	3.32	3.60
PAT Margin (%)	2.85	2.87
Overall Gearing Ratio	0.56	0.49

#The given figures have been arrived at by converting AED to INR at the following exchange rates: For Profit & Loss items: Average Exchange Rate of 1 AED= Rs.19.012 for FY19 and 1 AED= Rs.19.307 for FY20. For Balance Sheet items: Exchange Rate of 1 AED= Rs.18.870 as on March 31, 2019 and 1 AED= Rs.20.440 as on March 31, 2020.

*Classification as per Infomerics' standards



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Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

S. No	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (INR Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (April 1, 2022)	Date(s) & Rating(s) assigned in 2021-22 (January 23, 2021)	Date(s) & Rating(s) assigned in 2020-21
1.	Issuer Rating	Not applicable	Not applicable	IVR BB/ Negative; ISSUER NOT COOPERATING*	IVR BB+; ISSUER NOT COOPERATING*	IVR A/ Stable	-

**Issuer did not cooperate; based on best available information*

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

Infomerics has a pan India presence with Head Office in Delhi, branches in major cities and representatives in several locations.

For more information visit www.infomerics.com

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not



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recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Issuer Rating	Not applicable	Not applicable	Not applicable	Not applicable	IVR BB/ Negative; ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Applicable

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com