

November 21, 2024

## Desai Distributors: Continues to remain under issuer non-cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	26.00	26.00	[ICRA]D; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>26.00</b>	<b>26.00</b>	

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

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has kept the long-term rating of Desai Distributors in the 'Issuer Not Cooperating' category. The rating is denoted as [ICRA]D ; ISSUER NOT COOPERATING.

As part of its process and in accordance with its rating agreement with Desai Distributors, ICRA has been trying to seek information from the entity so as to monitor its performance Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite Information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

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](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy On Default Recognition</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

### About the company

Established in the year 1996, Desai Distributors (DD) is a partnership firm promoted by Desai family and is having distributorship of Hindustan Unilever Limited (HUL) since inception. The firm is distributor of HUL's products in Vadodara, Gujarat, covering 40 Sq km area covering Padra, Karjan, Dabhoi, Asodar etc. across Vadodara. It supplies HUL's products to ~5000 retailers. The firm has distributorship for almost all of HUL's products under home care, personal care and food and drinks' segments except Lakme, Elle 18 and Kwaliti Wall's and pureit brands. Four of the five partners are engaged in the firm since its inception and are actively managing the operations of the firm for past 2 decades. Till FY2018, the firm also had distributorship for Vodafone SIM cards in Vadodara which used to form 10-15% of total revenue for the firm. However, the firm has discontinued the business.

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2025)			Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. Crore)	Date & Rating in	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			21-November-2024			
1 Fund Based-Cash Credit	Long Term	26.00	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based-Cash Credit	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, is available on ICRA's website: [Click Here](#)

### Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based-Cash Credit	NA	NA	NA	26.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Desai Distributors

### Annexure-2: List of entities considered for consolidated analysis: Not applicable

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