

November 27, 2025

Ingram Micro India Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ Short-term – Fund/Non-fund Based Limits	1,150.00	1,150.00	[ICRA]AA- (Stable)/[ICRA]A1+; Reaffirmed
Long-term/ Short-term – Non-fund Based Limits	200.00	200.00	[ICRA]AA- (Stable)/[ICRA]A1+; Reaffirmed
Total	1,350.00	1,350.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings reaffirmation for the bank lines of Ingram Micro India Private Limited (IMIPL) reflects IMIPL's strong credit and operational profiles, marked by its well-established business lines¹ in the Indian mobility and IT product distribution market. The company reported a revenue increase of around 7% in FY2025 on a YoY basis, owing to a healthy growth in its mobility segment. The growth, however, was impacted by slowdown in the IT distribution (commercial consumer) segment in FY2025 and a significant decline in professional services in the advance solution segment in H1 FY2026.

ICRA notes that the management uncovered fraudulent activity in FY2024 involving certain staff members and channel partners, which led to inaccurate reporting of sales and costs within one of its business segments. Management initiated an external investigation in FY2024 and completed in FY2025, resulted in the reversal of related transactions amounting to Rs. 196.3 crore for FY2024 and Rs. 80.6 crore for FY2025, with no further corrections anticipated. This development, alongside changes in management of related business segment, had caused a decline in the market share for Advanced Solutions business. Besides, slowdown in the IT distribution segment is likely to constrain its revenue growth in FY2026. Moreover, the operating profit margins (OPM) are likely to be affected in FY2026 as the Advanced Solutions segment was a major contributor to profitability. Nevertheless, the newly appointed leadership is focused on regaining the market share by FY2027. The near-term revenue growth is expected to be driven by the mobility segment with successful launch of Apple products. Over the medium-to-long term, the revenue growth is expected to be driven by Advanced Solutions and specialty businesses owing to opportunities related to automation of businesses and rising digitisation needs.

The ratings also consider IMIPL's diversified revenue profile spread across products and brands, and the management's vast business expertise. Due to exclusivity granted by most of the vendors based on geography and/or customer segment, the impact of competition on IMIPL is partially mitigated. IMIPL has a wide distribution network across the country through its association with numerous channel partners to cater to retail and enterprise customer requirements. The ratings remain supported by IMIPL's healthy financial profile, characterised by robust cash flows, comfortable capital structure, healthy debt coverage indicators and strong liquidity position. Also, IMIPL derives considerable operational and financial flexibility as a subsidiary of Ingram Micro Inc., US, a leading technology product distributor. However, any upstreaming of cash requirement from IMIPL to its parent company, adversely impacting the former's credit profile, will remain a key rating monitorable.

The ratings are, however, constrained by the low OPM inherent in the distribution business, which necessitates maintaining a conservative financial policy and healthy liquidity to fund future growth requirements. The ratings also factor in the working capital intensive nature of the business as well as its exposure to foreign currency related risks due to purchases of overseas brand in the form of imports. The ratings further consider the susceptibility of IMIPL's revenues to the performance of its key

¹ IMIPL has 4 business lines including like mobility, IT distribution, advance solution (includes professional services), cloud business.

vendors, which operate in a highly competitive market, and their policies related to distribution. Further, the ratings consider IMIPL's high concentration of around 43% of total sales from a single principal. However, the risk is largely mitigated as IMIPL holds distribution rights for most of the leading players in each segment (mobile/IT products/other technology products) in India.

The Stable outlook factors in the expectation that IMIPL will continue to witness a healthy demand in the mobility segment as well as gradually recover sales momentum in the advance solutions segment. Besides its current strong liquidity position, this is expected to limit dependence on debt and translate into continued comfortable credit metrics.

Key rating drivers and their description

Credit strengths

Operational synergies and financial flexibility as subsidiary of Ingram Micro Inc; leading player in IT hardware and mobility product distribution – Ingram Micro Inc., headquartered in Irvine, California, US, is the world's largest technology distributor with operations in many countries and customers worldwide, including retailers and IT resellers. IMIPL, its Indian arm, enjoys access to its parent's global vendor tie-ups, innovations across geographies, and the global financial and banking relationships.

Healthy financial profile – IMIPL has a healthy financial profile, characterised by stable growth in operating income, comfortable capital structure, healthy debt coverage indicators and strong liquidity position. The company's revenue grew by 7% on a YoY basis in FY2025, driven by healthy sales from the mobility segment. The company has temporarily halted its professional services operations, which previously accounted for around 2% of its overall sales. This development, alongside changes in management, had caused a notable decline in the market share for key vendors in other areas of the advanced solutions business. This is likely to constrain the company's revenue increase in FY2026, though the same will be partly mitigated by the healthy growth in the mobility segment. Further, the debt coverage indicators remain comfortable, with an interest coverage of 7.2 times and total debt vis-à-vis the operating profit before depreciation, interest, taxes and amortisation of 0.5 times as on March 31, 2025. Further, IMIPL's liquidity is strong with sizeable unutilised bank lines and unutilised fund-based limits of around Rs. 2,500 crore as on September 30, 2025.

Diversified revenue streams and vendor base along with established relationships with key vendors – IMIPL operates in multiple business lines, such as mobility distribution, IT distribution, and advanced solutions and services, which enable the company to partner with a wide array of leading global brands. The company has established relationships with prominent vendors such as Apple, Hewlett-Packard (HP), Cisco, and Dell etc.

Credit challenges

Low OPM, business remains highly sensitive to working capital changes – Inherent to the nature of the distribution business, the company's OPM is low, given the limited value addition involved in the distribution business. The company's overall operating margins declined to 1.8% in FY2025 from 2.0% in FY2024 (3.1% in FY2023) owing to provision of Rs. 196.3 crore in FY2024 and Rs. 80.6 crore in FY2025 related to fraudulent activities. The FY2025 margins were also impacted due to further provisions of Rs. 163 crore towards doubtful recoverable. However, no further provision related to fraud and receivables are expected in FY2026. The profit margins will remain under pressure in FY2026 owing to a decline in the market share of its key principals in the high-margin advance solution business due to fraudulent activities and change in management. Nevertheless, the newly appointed leadership is focused on regaining the market share by FY2027. The business also remains highly sensitive to working capital changes, which necessitate maintaining a conservative financial policy to conserve cash flows for funding growth during periods of lower margins or elongated working capital cycles.

Revenues susceptible to key vendor performances and policies – The weak performance of any key principal's products (due to intense competition) could adversely impact the distributor's business. In case of IMIPL, the risk is largely mitigated by its distribution rights for most of the leading players in each segment. The revenue concentration among its key vendors remains high with Apple, Hewlett-Packard (HP), Cisco, Lenovo and Dell collectively generating around 72% of revenues in FY2025. The

share of Apple among its vendors was the highest at around 43% in FY2025. The business also remains vulnerable to changes in policies of the principals in the mobility and the IT distribution businesses, as witnessed in the past for Samsung and Apple, wherein they restructured their business model and began dealing with online players directly for smartphones, which limited IMIPL’s overall revenue growth to an extent.

Exposure to foreign currency risks – The company caters to the distribution requirements of several overseas brands with around 10% of the purchases in the form of imports. Thus, a part of its procurement takes place in foreign currency. While this exposes it to the vagaries of foreign exchange (forex) fluctuations, the risk is mitigated through a forex policy, which hedges the net forex exposure through forward contracts.

Liquidity position: Strong

The liquidity position of IMIPL is strong with healthy free cash and other bank balances of around Rs. 100 crore as of March 31, 2025 and expected fund flow from operations of Rs. 400-500 crore in FY2026. Also, IMIPL has sizeable unutilised bank lines of around Rs. 2,500 crore as on September 30, 2025. Against this, the company has limited long-term debt repayments (excluding lease liabilities) and is expected to incur minimal capital expenditure (capex), supporting its liquidity position in the near-to-medium term.

Rating sensitivities

Positive factors – ICRA could upgrade IMIPL’s long-term rating if the company demonstrates a significant scale-up of operations, diversification of principals and business lines, while maintaining its profitability and debt coverage metrics.

Negative factors – Pressure on IMIPL’s ratings could arise due to material weakening in profitability or lengthening of working capital cycle on a sustained basis. Depletion of liquidity buffer through large dividend distribution, suggestive of a change in the dividend policy, will also be a negative rating trigger. A key trigger for ratings downgrade will be, among others, interest coverage ratio falling below 7 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Ingram Micro India Private Limited is a subsidiary of Ingram Micro Inc. Established in 1979, IMIPL is a top technology product distribution company in India, with a nationwide presence at over 30 locations. It is a leading wholesale provider of computer systems, components, peripherals and printers, networking solutions, computer storage systems, application software and support services, and mobile phones and accessories. IMIPL distributes products of over 100 hardware manufacturers and software publishers to more than 15,000 technology solution providers across India. Its supplier list includes leading IT hardware and mobile phone manufacturers, networking equipment manufacturers and software publishers, including Apple, HP, Lenovo, Cisco, Dell, IBM, Intel, Juniper, Microsoft, Symantec, VM Ware and Western Digital, among others. IMIPL’s businesses can be segregated into four segments, namely IT distribution (hardware and software), mobility distribution (mobile phones and accessories), advanced solutions (includes professional services) and speciality (networking, servers and storage), and services (includes cloud-based services). Each segment comprises various customer groups, such as corporate resellers, direct and consumer marketers, and value-added services (VAR).

Key financial indicators (audited)

IMIPL	FY2024	FY2025
Operating income (Revenue from Operations)	40,206.3	43,050.4
PAT	515.1	484.6
OPBDIT/OI	2.0%	1.8%
PAT/OI	1.3%	1.1%
Total outside liabilities/Tangible net worth (times)	1.4	1.2
Total debt/OPBDIT (times)	1.1	0.5
Interest coverage (times)	8.5	7.2

Source: Company; ICRA Research; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current ratings (FY2026)				Chronology of rating history for the past 3 years					
Instrument	Type	Amount rated (Rs. crore)	Nov 27, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund/Non Fund-based Limits	Long Term/ Short term	1,150.00	[ICRA]AA-(Stable)/[ICRA]A1+	Aug 27, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	May 10, 2023	[ICRA]AA-(Stable)/[ICRA]A1+	-	-
						Apr 06, 2023	[ICRA]AA-(Stable)/[ICRA]A1+	-	-
Non Fund-based Limits	Long Term/ Short term	200.00	[ICRA]AA-(Stable)/[ICRA]A1+	Aug 27, 2024	[ICRA]AA-(Stable)/[ICRA]A1+	May 10, 2023	[ICRA]AA-(Stable)/[ICRA]A1+	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ Short Term - Fund/Non Fund-based Limits	Simple
Long-term/ Short Term - Non Fund-based Limits	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 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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund/Non Fund-based Limits	NA	NA	NA	1,150.00	[ICRA]AA-(Stable)/[ICRA]A1+
NA	Non Fund-based Limits	NA	NA	NA	200.00	[ICRA]AA-(Stable)/[ICRA]A1+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Jitin Makkar

+91 12 4454 5368

jitinm@icraindia.com

Kinjal Shah

+91 022 6114 3442

kinjal.shah@icraindia.com

Sakshi Suneja

+91 022 6169 3345

sakshi.suneja@icraindia.com

Karan Gupta

+91 22 6114 3457

karan.gupta@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.