



## Press Release

Compuage Infocom Limited

August 07, 2023

### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	383.00	IVR D; ISSUER NOT COOPERATING* (IVR D; ISSUER NOT COOPERATING)	Revised and continues under ISSUER NOT COOPERATING category	Simple
Proposed Long term Bank Facilities	67.00	IVR D; ISSUER NOT COOPERATING* (IVR D; ISSUER NOT COOPERATING)	Revised and continues under ISSUER NOT COOPERATING category	Simple
Long term/ Short term Bank Facilities	478.00	IVR D; ISSUER NOT COOPERATING* (IVR D; ISSUER NOT COOPERATING)	Revised and continues under ISSUER NOT COOPERATING category	Simple
Proposed Long term/ Short term Bank Facilities	32.00	IVR D; ISSUER NOT COOPERATING* (IVR D; ISSUER NOT COOPERATING)	Revised and continues under ISSUER NOT COOPERATING category	Simple
<b>Total</b>			<b>960.00</b> <b>(Rupees Nine Hundred and Sixty Crores only)</b>	

*\*Issuer did not cooperate; Based on best available information*

### Details of Facilities are in Annexure 1

### Detailed Rationale

The revision in the ratings assigned to the bank facilities of Compuage Infocom Limited (CIL) reflects tight liquidity position driven by recalling of credit facilities by some lenders and continued losses.

Infomerics has been regularly following up with the company to provide NDS to monitor its assigned rating due to lack of adequate information available and non-submission of 'No default statement' for three consecutive months 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.



## Press Release

As per unaudited results for 4QFY23 and FY23, CIL reported operational losses to the tune of Rs.137.42 crore and Rs.114.36 crore respectively. Continued operating losses resulted in deterioration in capital structure and debt coverage indicators with gearing of 2.72x in FY23 (Unaudited).

### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the NDS to monitor its assigned rating to the bank facilities, vide E-mail communications dated July 28, 2023, July 25, 2023, July 20, 2023, July 15, 2023, 26 June 2023, 23 June 2023, 20 June 2023, 16 June 2023, 14 June 2023, 13 June 2023, 12 June 2023, 11 June 2023, 9 June 2023, 7 June 2023, 5 June 2023, 4 June 2023, 2 June 2023, 26 May 2023, 24 May 2023, 23 May 2023, 22 May 2023, 21 May 2023, 19 May 2023 and 30 April 2023, and also concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details required for monitoring the ratings. 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 bank facilities of Compuage Infocom Limited aggregating Rs.960.00 crore has been continued under the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR D; Issuer Not Cooperating\*; Based on best available information.

**Analytical Approach:** Standalone

### **Applicable Criteria:**

[Guidelines on what Constitute Non-Cooperation by Client](#)

[Policy of Default Recognition](#)

[Criteria of assigning Rating Outlook](#)

[Rating Methodology – Trading Companies](#)

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



## Press Release

### About the Company

Compuage Infocom Limited is a technology products distribution company in India is founded by Mr. Atul Mehta in 1987. Headquartered in Mumbai, CIL is a distribution intermediary of technology products and solutions like PC components and peripherals, enterprise solutions, mobility products, hardware services and cloud-computing. The company manages the entire supply chain right from procurement, warehousing, broking bulk, technical support, transportation, and credit deployment. The distribution network of CIL consists of 46 sales offices, 27 warehouses, 69 service canters and a team of over 700+ professionals across the country and region, Compuage represents 28+ global brands and supports over 12,000 online & offline retailers, resellers and system integrators.

### Financials (Standalone)\*:

For the year ended / As on	(Rs. Crore)		
	31-Mar-2021 (Audited)	31-Mar-2022 (Audited)	31-Mar-2023 (Abridged)
Total Operating Income	3729.79	4207.50	3739.44
EBITDA	77.06	98.05	-118.59
PAT	20.47	26.77	-114.37
Total Debt	605.12	503.88 <sup>^</sup>	470.37
Tangible Net worth	221.81	247.26	173.18
EBITDA Margin (%)	2.07	2.33	(3.17)
PAT Margin (%)	0.55	0.64	(3.06)
Overall Gearing Ratio (times)	2.73	2.04 <sup>^</sup>	2.72

\*Classification as per Infomerics standards

<sup>^</sup>Excluding CPLTD

### Status of non-cooperation with previous CRA:

CARE Ratings Limited in its press release dated July 21, 2023, has continued to place the rating of Compuage Infocom Limited under Issuer Not Cooperating category due to non-availability of information.

**Any other information:** Nil



## Press Release

### Rating History for last three years:

Sl. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 July 03, 2023	Date(s) & Rating(s) assigned in 2023-24 April 14, 2023	Date(s) & Rating(s) assigned in 2022-23 21 July 2022
1	Long term Bank Facilities	Long Term	383.00	IVR D; Issuer Not Cooperating *	IVR B+/ Negative; Issuer Not Co-Operating*	IVR BB/Negative	IVR BBB+/ Stable
2	Proposed Long term Bank Facilities	Long Term	67.00	IVR D; Issuer Not Cooperating *	IVR B+/ Negative; Issuer Not Co-Operating*	IVR BB/ Negative	IVR BBB+/ Stable
3	Long term/ Short term Bank Facilities	Long Term/ Short Term	478.00	IVR D; Issuer Not Cooperating *	IVR B+/ Negative/IVR A4; Issuer Not Co-Operating*	IVR BB/ Negative / IVR A4	IVR BBB+/ Stable / IVR A2
4	Proposed Long term/ Short term Bank Facilities	Long Term/ Short Term	32.00	IVR D; Issuer Not Cooperating *	IVR B+/ Negative/IVR A4; Issuer Not Co-Operating*	IVR BB/ Negative / IVR A4	IVR BBB+/ Stable / IVR A2

*\*Issuer did not cooperate; Based on best available information*

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## Press Release

### **About Infomerics:**

Infomerics Valuation and Rating Private Limited (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](http://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 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.



## Press Release

### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Cash Credit/OD/WCDL	-	-	-	383.00	IVR D; Issuer Not Cooperating*
Proposed Cash Credit/OD/WCDL	-	-	-	67.00	IVR D; Issuer Not Cooperating*
LC/BG	-	-	-	478.00	IVR D; Issuer Not Cooperating*
Proposed LC/BG	-	-	-	32.00	IVR D; 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](http://www.infomerics.com).