

**Press Release****Eastern Logica Infoway Limited****August 20, 2019****Rating**

<b>Sl. No.</b>	<b>Instrument/Facility</b>	<b>Amount (Rs. Crore)</b>	<b>Rating Assigned</b>	<b>Rating Action</b>
1.	Long Term Fund Based Facilities- Cash Credit	35.00	Withdrawn	Rating downgraded to IVR BBB- (Triple B Minus) from IVR BBB (Triple B) with Stable Outlook and moved to Issuer Not Cooperating category and Withdrawn
	<b>Total</b>	<b>35.00</b>		

**Details of Facilities are in Annexure 1****Rating Action**

Infomerics Valuation And Rating Private Ltd has downgraded the rating assigned to the long term bank facilities of Eastern Logica Infoway Limited (ELIL) from IVR BBB /Stable (IVR Triple B with Stable Outlook) to IVR BBB - /Stable (IVR Triple B Minus with Stable Outlook). Further, the rating has been withdrawn at the request of the company and on receipt of “No Objection” from the lending bank.

**Detailed Rationale**

Availability of information from the client is a key factor in the assessment of credit risk. However, operational information and surveillance fees has not been provided by the company despite close follow up. In absence of information, the rating of Eastern Logica Infoway Limited’s bank facilities has been migrated to ‘IVR BBB-/Stable Outlook (IVR Triple B minus with Stable Outlook) ISSUER NOT COOPERATING for its long-term bank facilities. Further, the rating is withdrawn in accordance with Infomerics’ policy on withdrawal and as requested by the company.

**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 E-mail communications dated May 28, 2019, June 03, 2019, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company’s management has not submitted the essential details and surveillance fees. Moreover, the company has not been submitting ‘NO DEFAULT



## Infomerics Valuation And Rating Pvt. Ltd.

STATEMENT' on a timely manner. 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 long- term ratings for the bank loan facilities aggregating to Rs.35.00 crore of Eastern Logica Infoway Limited shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics.

Accordingly, the lenders, investors and other users of this ratings are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company

**Analytical Approach:** Not Applicable

**Applicable Criteria:** Policy on Withdrawal

### About the Company

Headquartered in Kolkata (West Bengal), Eastern Logica Infoway Limited (ELIL) was set up in 1995 by Shri J.K. Baid of Kolkata under the name of Oswal Infotech Pvt Ltd. Initially, the company was engaged in IT networking related operations. Later in 2001-02, Shri Gaurav Goel, a Kolkata based first generation entrepreneur acquired 50% stake in this company. Later the name of the company was rechristened to Eastern Infoway Limited. Shri Goel started trading of information technology (IT) related products. Further, in September 2013, Shri Goel acquired the entire stake of the company and rechristened its name to Eastern Logica Infoway Limited. Currently, ELIL is engaged in trading of laptops, desktops, mobile phones, hardware and other computer peripherals through retailers, its own retail outlets and through E-commerce websites. ELIL is dealing with more than 1200 retailers and has eight retail outlets in Kolkata, one retail outlet in Delhi and has tie-ups with all major E- commerce retailers (such as Amazon, FlipKart, Tata CLIQ, Shop Clues, NDTV etc.). The company has branch offices in Delhi, Hyderabad and Mumbai, Bangalore (Opened in January, 2018), Gurgaon (Virtual Office) and distribution centres in other cities of West Bengal viz. Durgapur, Midnapore, Serampore and Asansol.

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Nil

### **Rating History for last three years:**

Name of Instrument	Current Rating (2019-20)			Rating History				
	Type	Amount	Rating	Date	&	Date	&	Date

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		Outstanding (Rs. Crores)		Rating Press Release Assigned in 2018-19	Rating Press Release Assigned in 2017-18	Rating Press Release Assigned in 2016-17
Long Term Fund Based Facilities- Cash Credit	Long Term	35.00	IVR BBB- /Stable Outlook ISSUER NOT COOPERATING* (Rating downgraded from IVR BBB and Withdrawn)	-	March08, 2018 IVR BBB/Stable	Nil

**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).

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### About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. Company's long experience in varied spectrum of financial services is helping it to fine tune its product offerings to best suit the market.

**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, suspend 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.

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### Annexure 1: Details of Facility

Name of Instrument	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crores)	Rating Assigned/Outlook
Long Term Fund Based Limits- Cash Credit	-	-	-	35.00	IVR BBB- /Stable Outlook ISSUER NOT COOPERATING* (Rating downgraded from IVR BBB and Withdrawn)