

Logica Infoway Limited

October 08, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	232.56 (Enhanced from 161.46)	CARE BBB+; Stable	Reaffirmed
Short-term bank facilities	RBI	32.00	CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to bank facilities of Logica Infoway Limited (LIL, formerly known as Eastern Logica Infoway Limited) continues to factor in the improvement in financial performance in FY26 (refers to April 01 to March 31) marked by increase in total operating income (TOI) and improved profitability margins and profit. Ratings also consider increasing domestic retail operations with additions of new retail stores leading to business and gradual geographical diversification in the medium term. However, the growth in retail operations was largely debt funded and consequently resulted in elevated working capital borrowings leading to negative cash flow from operations in the ensuing years.

Ratings also continue to draw strength from the company's long track record and experienced promoters, well-diversified product portfolio consisting of all major brands, established relationship with reputed principals and favourable pricing dynamics resulting in low inventory/obsolesce risk.

However, ratings are constrained by moderation in capital structure and debt protection metrics during FY26, low profitability margins due to trading nature of operations, working capital intensive operations and regional concentration of sales with intense competition in the fragmented market.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in scale of operations, supported by improvement in profitability on a sustained basis.
- Improving PBILDT/Interest above 3.5x on a sustained basis.

Negative factors

- Moderating scale of operations below ₹800 crore and operating margin below 1.50% on a sustained basis.
- Moderating in PBILDT/Interest below 2x and total operating liabilities to total net worth (TOL/TNW) over 2.5x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

Stable outlook is based on CARE Ratings Limited (CARE Edge Ratings) expectation of the company sustaining its growth momentum in scale of operations and improved profitability margins in the medium term with further expansion in retail operations, considering experienced promoters with long track record of operations and established relationship with its principals.

Detailed description of key rating drivers

Key strengths

Consistent increase in scale of operations and profitability margins

LIL's TOI grew by 17.5% year-on-year to ₹1,317.66 crore in FY26 from ₹1,120.95 crore in FY25, driven by higher sales volumes across retail, distribution, e-commerce, and export segments. Growth was supported by continued expansion in retail operations, an increasing store network, and strong demand for mobile phones and laptops amid the ongoing premiumisation trend in the IT and consumer electronics market.

The company's profitability continued to improve, with PBILDT margins increasing to 2.50% in FY26 from 2.29% in FY25, supported by a higher contribution from the relatively high-margin retail segment. However, overall profitability remains modest due to the trading nature of operations, intense competition, and fixed margin structures prescribed by principals.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Going forward, the company is expected to sustain its growth momentum in scale of operations with further expansion in retail footprint and profitability margins in the near-to-medium term.

Increasing high margin retail operations though accompanied by higher working capital requirements constraining cash flows and liquidity

The company continued to strengthen its retail presence in FY26, taking its total store count to 77 stores as on March 31, 2026 from 53 stores as on March 31, 2025, by adding 24 net new stores during the year. This expansion reflects the company's strategic shift towards high-margin domestic retail operations and reduced dependence on lower-margin business segments. Retail revenue witnessed strong year-on-year growth of ~60% to ₹278 crore in FY26 from ₹174 crore in FY25, increasing its contribution to total revenue to 21% from 16% in the previous year. The expansion was accompanied by an increase in retail space to over 38,125 sq. ft. from ~31,901 sq. ft. in FY25. The retail segment has been the company's fastest-growing business vertical, registering a robust CAGR of 45.7% during FY22-FY26. However, the growth in retail operations was largely debt funded and consequently resulted in elevated working capital borrowings leading to negative cash flow from operations in the ensuing years.

Further, the company continues to benefit from its extensive distribution network of over 1,200 retailers and online presence through major e-commerce platforms. Distribution revenues grew by around 6% y-o-y in FY26 whereas revenue from e-commerce segment grew by 16% y-o-y in FY26.

Going forward, ability of the company to sustain retail-led growth while improving operating cash flow generation and reducing dependence on debt-funded working capital borrowings will remain a key rating monitorable.

Experienced promoters and long track record of the company

LIL commenced operations in 1995 and has a long track record of operations spanning over two decades. Over the years, it has established itself as prominent trader in the IT hardware industry. Gaurav Goel, the company's promoter has rich experience of over two decades in trading of IT products and has been instrumental behind the company's growth. Further, the exports operations of the company are driven by Kshitij Goel, son of the Gaurav Goel.

Well-diversified product portfolio and established relationship with reputed principals

LIL has a well-diversified product profile with a product base of over 40 reputed brands. The product portfolio includes laptops, mobile phones, monitors, PC hardware components, and computer peripherals such as printers, scanners, pen drives, software, computer accessories and cameras. Large number of products and availability from all major brands (such as HP, Realme, Redmi, Dell, Acer, Apple, Sony, Lenovo, Samsung, Vivo, Oppo among others) has assisted the company in increasing its customer base and reduce principal concentration risk through low dependence on a particular product/brand. The key revenue contributors are mobiles and laptops comprising 97% of TOI in FY26 (PY: 96%).

The company also has well-diversified channels for sales of its products led by distribution, which contributes 41% of TOI in FY26 (PY 45%) led by online sales (25%), retail (21%) and exports (13%) which provides significant cushion against slowdown across sales channels.

Favourable pricing dynamics resulting in low inventory/obsolescence risk

LIL sources inventory from principals at a particular price and when sold to distributors, they sell it at a margin as specified by such principals. Higher margins are possible at LIL's own retail stores. In case of price drops, LIL also has to drop the price and is compensated by its principle.

Key weaknesses

Moderate capital structure and debt protection metrics

The company's capital structure marked by overall gearing moderated to 1.83x as on March 31, 2026 from 1.35x as on March 31, 2025, on account of higher debt levels supporting business growth and the strategic expansion of its domestic retail segment. Debt protection metrics also moderated, with TD/GCA rising to 12.49x in FY26 from 10.83x in FY25. However, PBILDT interest coverage improved marginally to 2.24x in FY26 from 2.06x in FY25.

Going forward, leverage and debt coverage metrics are expected to remain moderate owing to the company's ongoing expansion plans and continued strategic shift towards retail-led growth.

Working capital intensive operations

The company's operations remained working capital intensive in FY26 due to inventory stocking requirements inherent in the distribution business and credit extended to dealers, resulting in high receivables. Consequently, dependence on bank borrowings to finance working capital remained significant. Gross current asset (GCA) days deteriorated to 96 days as on March 31, 2026 from 84 days as on March 31, 2025, driven by higher inventory and receivable levels. Further, cash flow from operations remained negative at ₹37.88 crore in FY26 against negative ₹3.67 crore in FY25, owing to increased working capital requirements to support business growth and retail expansion in FY26. The operating cycle also elongated to 55 days in FY26 from 49 days in FY25, reflecting higher working capital intensity.

Going forward, working capital requirements are expected to remain elevated with the company's planned expansion in retail operations and increasing scale of business.

Low operating margin due to trading nature of operations

LIL's profitability margins have continuously remained low, and range bound, which is mainly due to trading nature of business operations combined with high level competition in the IT hardware trading industry with low entry barriers.

Highly competitive market with regional concentration risk

LIL is exposed to intense competition due to large number of players operating in the business and fragmented nature of the industry. Sales are primarily skewed in northern and eastern region (Kolkata, West Bengal), which remains the two largest revenue contributors with revenue share of 59% and 39% followed by southern and western regions in FY26. However, with export sales contributing 13% of TOI in FY26, regional concentration risk is mitigated to a certain level.

Liquidity: Adequate

The company's liquidity remained adequate in FY26, supported by adequate GCA of ₹14.96 crore against scheduled debt repayment obligations of ~₹1.03 crore during the year. Further, the company is expected to generate sufficient cash accruals to meet the debt obligations of ~₹0.69 crore in FY27. Liquidity continued to be supported by a comfortable current ratio of 1.19x and moderate utilisation of working capital limits. The average fund-based utilisation of working capital limits stood at 63.91% for the 12 months ended July 31, 2026, providing adequate headroom to meet incremental working capital requirements. However, the company reported negative cash flow from operations during FY26 owing to higher inventory and receivables associated with the increased scale of operations and retail expansion. The company has cash and cash equivalents of ₹48.58 crore, which included pledged fixed deposits of ₹34.43 crore and mutual fund investments of ₹12.68 crore as on March 31, 2026.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information Technology	Information Technology	IT - Hardware	Computers Hardware & Equipments

LIL (formerly known as Eastern Logica Infoway Limited) was incorporated in July 1995 by J.K. Baid as Oswal Infotech Private Limited. In FY02, Gaurav Goel, a first-generation entrepreneur, took over the company. The company renamed Eastern Logica Infoway Limited in 2002. In 2024, the company name was further changed to its present name.

LIL is a Kolkata-based distributor, dealer and re-seller of laptops, desktops, mobile phones, hardware and computer peripherals. It trades these products online and through its wide distributorship network and retails outlets. The company's day-to-day operations are managed by Gaurav Goel and a team of experienced staff.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	1120.95	1317.66
PBILDT*	25.66	32.91
Profit after tax (PAT)	10.51	14.18
Overall gearing (x)	1.35	1.83
Interest coverage (x)	2.06	2.24

A: Audited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	199.00	CARE BBB+; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	01-07-2031	33.56	CARE BBB+; Stable
Fund-based - ST-Working Capital Limits	RBI	Simple	-		-	-	32.00	CARE A2

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	199.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (26-Sep-25)	1)CARE BBB; Positive (06-Sep-24)	1)CARE BBB; Positive (07-Mar-24)
2	Fund-based - LT-Term Loan	LT	33.56	CARE BBB+; Stable	-	1)CARE BBB+; Stable (26-Sep-25)	1)CARE BBB; Positive (06-Sep-24)	1)CARE BBB; Positive (07-Mar-24)
3	Fund-based - ST-Working Capital Limits	ST	32.00	CARE A2	-	1)CARE A2 (26-Sep-25)	1)CARE A3+ (06-Sep-24)	-

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Lender details**To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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