

April 29, 2026

Buywel Agencies Private Limited: Ratings reaffirmed

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund based - Cash credit	60.00	49.50	[ICRA]BB+ (Stable); reaffirmed
Short-term – Non-fund based – Bank guarantee	8.00	8.00	[ICRA]A4+; reaffirmed
TOTAL	68.00	57.50	

[^]Instrument details are provided in Annexure II

Rationale

The ratings reaffirmation for bank lines of Buywel Agencies Private Limited (BAPL) factors in its established association with Reliance Industries Limited (RIL) as the latter's del credere agent (DCA) in Andhra Pradesh and Telangana for more than two decades along with the long track record of its promoters in the polymer distribution business. The ratings continue to favourably factor in the diversified revenue profile with fixed rental income from the commercial property, in its subsidiary entity. ICRA notes that in FY2026, BAPL transferred its entire 85.95% stake in Buywel Healthcare Private Limited (BHPL) as part of a division of family business. As a result, BAPL's absolute revenues have declined in FY2026 compared with FY2025 levels, owing to the absence of revenue contribution from BHPL.

The ratings, however, remain constrained by the moderation in performance with lower sales volumes in the DCA business and resultant reduction in commission income. The ratings are further constrained by the company's low net worth in comparison to its credit exposure and the vulnerability of its profit margins to any defaults by customers and interest rate movements. BAPL's ability to improve the sales volume and optimise its receivable cycle while maintaining an adequate buffer in the working capital facilities against the drawing power would remain a key rating monitorable.

The Stable outlook on the long-term rating reflects ICRA's opinion that BAPL will continue to benefit from its established market position as a DCA for RIL in Andhra Pradesh and Telangana and from its diversified revenue profile.

Key rating drivers and their description

Credit strengths

Established position as RIL's DCA in Andhra Pradesh and Telangana – BAPL was appointed RIL's DCA in 2002 and is involved in the distribution of polymer products, namely polypropylene (PP), polyethylene (PE) and poly vinyl chloride (PVC), in Telangana and Andhra Pradesh.

Long track record of promoters in polymer distribution industry – The promoters have extensive experience in the polymer distribution industry, helping BAPL to forge established relationships with its key supplier, RIL, and its customers.

Diversified revenue source – The company derives its revenues from two segments, DCA and rental income. The DCA business is under BAPL, and the rental income is under Mayer Builders Private Limited (100% subsidiary of BAPL). The diversified revenues mitigate the segment/product concentration risk to an extent.

Credit challenges

Moderate financial risk profile – The company’s financial risk profile is moderate, given the working capital-intensive nature of its operations on account of cash-basis purchases and the extended credit period offered to its customers. This has resulted in relatively higher reliance on working capital borrowings and interest cost thereon. The key coverage indicators remain at moderate levels, characterised by interest coverage of 1.3 times and Total Debt/OPBDITA of 7.8 times in FY2026.

Exposed to counterparty credit risk in DCA business and high dependence on top 10 customers – BAPL bears credit risk while supplying RIL’s products to customers and any default on payments by the customers could adversely impact its profitability and net worth. Further, the customer concentration remains high at 80-85% with a significant proportion of the revenue derived from the top 10 customers in FY2025 and FY2026.

Profitability exposed to interest rate fluctuations – Interest income forms a significant proportion of BAPL’s operating income (OI). BAPL’s net interest income, therefore, needs to be sustained to maintain its profitability level. The company’s interest income has been declining in the last few years due to falling interest rates as well as a greater proportion of cash sales. The company’s ability to pass on any increase in interest rates remains important.

Liquidity position: Adequate

BAPL’s liquidity is expected to remain Adequate, supported by adequate buffer in working capital limit and no term loan repayment obligations in the near to medium term. The average utilisation of working capital limits stood at around 66% of its sanctioned limit during the last 12 months ending in March 2026. The absence of any major capital expenditure plan or term loan repayment obligation is expected to support liquidity, going forward.

Rating sensitivities

Positive factors – ICRA could upgrade BAPL’s ratings if the company demonstrates a significant increase in volumes and earnings, leading to an improved financial risk profile and liquidity position on a sustained basis.

Negative factors – Pressure on the ratings could arise if there is a decline in revenue and/or earnings, or an elongation of working capital cycle, resulting in weak coverage indicators or deterioration in liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of BAPL. Details of the entities considered for consolidation have been enlisted in Annexure II.

About the company

Buywel Agencies Private Limited (BAPL) was incorporated in 1980 to operate as an authorised stockist for polymer products of Indian Petrochemicals Corporation Limited (IPCL). In 2002, BAPL was appointed as a del credere agent (DCA) of Reliance Industries Limited (RIL) for distributing polymer products (PE, PP and PVC) in erstwhile Andhra Pradesh.

BAPL had acquired Mayer Builders Private Limited (MBPL) in December 2021. MBPL is a wholly owned subsidiary of BAPL and owns a commercial property for which it currently receives fixed rental income.

Key financial indicators (Audited)

BAPL Consolidated	FY2025	FY2026*
Operating income	12.4	5.7
PAT	0.4	1.9
OPBDIT/OI	39.6%	70.6%
PAT/OI	3.2%	34.1%
Total outside liabilities/Tangible net worth (times)	1.9	1.7
Total debt/OPBDIT (times)	7.9	7.8
Interest coverage (times)	1.4	1.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	April 29, 2026	Date	Rating	Date	Rating	Date	Rating
Long term - Fund based - Cash credit	Long-term	49.50	[ICRA]BB+ (Stable)	-	-	Jan 07, 2025	[ICRA]BB+ (Stable)	Oct 10, 2023	[ICRA]BB (Stable)
Short term – Non-fund based - Bank guarantee	Short-term	8.00	[ICRA]A4+	-	-	Jan 07, 2025	[ICRA]A4+	Oct 10, 2023	[ICRA]A4
Long term - Fund based -Term loan	Long-term	-	-	-	-	-	-	Oct 10, 2023	[ICRA]BB (Stable)

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI

15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)
(*)	Includes securitisation transactions involving assignee payout, acquirer's payout.	
(\$)	Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.	
(%)	These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.	

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) *The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.*

(#) *Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.*

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term -Fund based - Cash Credit	Simple
Short term – Non-fund based - Bank guarantee	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	49.50	[ICRA]BB+ (Stable)
NA	Bank guarantee	NA	NA	NA	8.00	[ICRA]A4+

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Mayer Builders Private Limited (MBPL)	100.00%	Full Consolidation

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