July 15, 2026

Inflow Technologies Pvt Ltd: Ratings reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Fund-based – Cash credit	350.10	0.00	-	RBI
Long-term – Interchangeable	(300.10)	0.00	-	RBI
Short-term – Fund-based	250.00	0.00	-	RBI
Short-term – Interchangeable	(600.00)	0.00	-	RBI
Short-term – Fund-based / Non-fund based – Interchangeable	(600.00)	0.00	-	RBI
Long-term/Short-term – Fund-based – Others	0.00	850.10	[ICRA]AA- (Stable)/[ICRA]A1+; Reaffirmed/Assigned for enhanced amount	RBI
Long-term/Short-term – Interchangeable limits – Others	0.00	(800.10)	[ICRA]AA- (Stable)/[ICRA]A1+; Reaffirmed/Assigned for enhanced amount	RBI
Total	**600.10**	**850.10**		

**Instrument details are provided in Annexure-I ; #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.*

Rationale

The ratings reaffirmation for the bank lines of Inflow Technologies Pvt Ltd (ITPL or company) factors in its steady business profile and earnings, which have supported its financial risk profile. ITPL reported a consolidated operating income of Rs. 7,986.0 crore in FY2026, registering a year-on-year (YoY) growth of 33.8%, aided by a healthy demand for its product and service offerings, coupled with the company's enhanced capabilities to participate in larger-sized deals. While the operating profit margin (OPM) remains modest (4.0% in FY2026), reflecting the inherent characteristics of the distribution business and high trading costs, the capital structure and debt protection metrics continue to be comfortable (TOL/TNW: 2.0 times, gearing: 0.4 times, interest cover: 9.1 times in the year ending in March 2026). This remains supported by its asset-light operating model, limited capital expenditure (capex) requirements and steady internal accruals, a trend that is expected to sustain over the medium term. The capital structure and coverage metrics are likely to improve going forward, with higher scale of operations and accruals and modest capex requirements.

The ratings continue to positively factor in ITPL's strong parentage as a wholly owned subsidiary of Savex Technologies Private Limited (STPL), a well-established entity in the distribution of branded computers, peripherals, mobile phones and accessories. The company derives operational synergies from its association with STPL, including access to STPL's extensive distribution network. Given ITPL's healthy financial profile and adequate liquidity position, major funding requirements are not anticipated over the near-to-medium term. Nevertheless, STPL is expected to extend timely and need-based financial support, if required. The ratings also reflect ITPL's established operational track record, wide distribution reach, and long-standing relationships with global technology vendors, which continue to support its brand positioning. ICRA also notes that the company has processes and controls in place to mitigate counterparty credit risk, inventory obsolescence and foreign exchange (forex) risks. Comfort is driven from ITPL's track record of managing its working capital adequately, with limited write-offs or bad debts in recent years.

The ratings are, however, constrained by the working capital-intensive nature of the business and its low operating margins, which are in line with the distribution-driven business model and , stemming from limited value addition and intense competition. ITPL's receivable levels have remained high over the years due to the extended credit period offered to customers, along with substantial billing towards the end of the financial year. However, the company's ability to obtain extended credit period from its vendors, and efforts to enter into back-to-back arrangements with vendors, mitigates the impact on working capital to an extent.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company will benefit from its strong parentage as well as the healthy demand outlook for its products and will continue to maintain a comfortable financial risk profile going forward.

Key rating drivers and their description

Credit strengths

Strong distribution channel and long-term associations with global technology vendors – Over the last two decades, the company has established a strong distribution network comprising 19 branches across India, Singapore, Nepal, Bangladesh and Sri Lanka. It has more than 3,000 channel partners and over 70 technology vendors. The company is present across the information security, networking infrastructure and application software segments and focusses on value-added assignments such as automatic identification and data capture (AIDC), point of sale (PoS), etc. The vendors' established brand presence ensures consistent demand and the increasing penetration with the channel partners would continue to support revenue growth.

Processes and controls in place to help mitigate counterparty credit risk, inventory obsolescence and forex risks – The company has a credit risk management framework for its system integrators and channel partners. In addition to conducting internal credit assessments for new customers, ITPL avails credit insurance, which also helps mitigate counterparty credit risk. Further, with over 90% of its sales being order-backed, the company faces minimal inventory obsolescence risk. While imports constitute a substantial portion of its procurement, exposing ITPL to forex risk, ITPL hedges its entire forex exposure through forward contracts, thereby largely insulating its profitability from currency fluctuations.

Healthy financial risk profile – The company has a healthy scale of operations with a consolidated operating income of Rs. 7,986.0 crore in FY2026, demonstrating a YoY growth of 33.8%. The revenue growth has been supported by its established market position and sustained demand for its product offerings, combined with its increasing ability to undertake larger-sized deals. Although the OPM remained modest at 4.0% in FY2026, owing to the structural characteristics of the distribution business and elevated trading costs, the company's capital structure and coverage indicators continue to be healthy, as reflected in gearing of 0.4 times and Total Debt/OPBITDA of 1.3 times as on March 2026. This is supported by limited capex and steady internal accruals over the years. ICRA expects the company's capital structure and coverage metrics to remain comfortable over the medium term.

Strong parentage – ITPL benefits from a strong parentage as a wholly owned subsidiary of Savex Technologies Private Limited (STPL), a well-established player in the distribution of branded computers, peripherals, mobile phones and accessories. The company derives operational synergies from its association with STPL, including access to STPL's extensive distribution network. Given ITPL's healthy financial profile and adequate liquidity position, it is not expected to require external funding support over the near-to-medium term. Nevertheless, STPL is anticipated to extend timely and adequate financial support to it, should there be a need.

Credit challenges

Inherently low margins – Historically, the trading segment of ITPL's business has been characterised by inherently low margins, with steady-state OPM remaining modest in the range of 4–5% over the past few years. The company is likely to maintain similar levels of margins over the medium term, despite undertaking some high volume deals with relatively lower margins.

Intense competition from established distribution companies limits pricing flexibility – Intense competition from other established distribution players such as Redington (India) Limited and Ingram Micro Inc constrains ITPL's pricing flexibility to an extent. The limited pricing power, coupled with the inherent nature of the distribution business, continues to exert pressure on OPMs. Nonetheless, ITPL's presence in the value-added distribution segment catering to enterprise clients has enabled it to achieve relatively better margins compared to its peers, thereby providing some cushion to its overall profitability.

Dependence on performance of principals – The company has tie-ups with large players such as CISCO Systems, Arista, Hewlett Packard Enterprise (HP), Zebra Solutions, Palo Alto Networks and other reputed players in the industry, which cater to the data network architecture as well as the data-asset protection space. The products of the top three vendors (CISCO, HPE, Arista) contributed more than 50% of the revenues in FY2026, and thus the performance of the principal is critical for the business. Nevertheless, addition of new vendors including Dell, Lenovo, etc. over the last few years mitigates the risk to an extent.

Increasing working capital requirements with growing scale – ITPL's receivables remained high over the years due to the extended credit period offered to the customers, along with substantial billing towards the end of the financial year. However, the company's ability to obtain extended credit periods from its vendors mitigates the impact on working capital, to an extent. The product procurement is backed by the credit period offered by the vendors and working capital borrowings. As a result, ITPL's TOL/TNW stood at 2.0 times as on March 31, 2026 (1.9 times as on March 31, 2025). The same is expected to remain at similar levels going forward, with higher scale and resultant working capital requirements.

Liquidity position: Adequate

ITPL's liquidity is Adequate, supported by unencumbered cash and liquid investments of Rs. 134.1 crore and undrawn working capital lines of Rs. 291.7 crore as on March 31, 2026, even after meeting its working capital requirements. Against these sources of cash, the company does not have any repayment obligations and has an annual capex of Rs. 10-15.0 crore. Also, STPL is expected to extend timely and adequate financial support to ITPL, should there be a need.

Rating sensitivities

Positive factors – ICRA may upgrade ITPL's ratings, if there is a meaningful and sustained improvement in its scale of operations and working capital cycle, while maintaining a steady margin profile, leading to a reduction in debt levels and improvement in coverage indicators. Any material improvement in the credit profile of the parent company will also lead to a review of the ratings.

Negative factors – Pressure on ITPL's ratings may arise if there is any significant decline in revenues and profitability. Besides, any adverse change in the credit terms offered by the major vendors and/or a stretch in the receivables, exerting pressure on the liquidity position, may trigger a downgrade in ratings. Specific credit metrics for a downgrade would include interest coverage of less than 6.0 times, on a sustained basis. Further, any weakening in linkages with the parent company, or material deterioration in the parent's credit profile, could lead to a review of ratings.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Savex Technologies Pvt Ltd
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of ITPL

About the company

Incorporated in 2005, ITPL was promoted by Mr. Byju Pillai. It is engaged in the distribution of IT products, including hardware products and software licences, while also providing support services through 19 branches located across India, Singapore, Nepal, Bangladesh and Sri Lanka. The company is engaged with 3000+ channel partners through which it offers solutions to 7000+ end customers. It is a national distributor for 70+ global technology vendors.

Key financial indicators

ITPL (consolidated)	FY2025 (Audited)	FY2026 (Provisional)
Operating income (OI)	5,967.6	7,986.0
PAT	174.8	205.1
OPBDIT/OI	4.2%	4.0%
PAT/OI	2.9%	2.6%
Total outside liabilities/Tangible net worth (times)	1.9	2.0
Total debt/OPBDIT (times)	1.0	1.3
Interest coverage (times)	12.4	9.1

Source: Company, ICRA Research; Note: Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs.crore)**	**July 15, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund-based – Cash credit	Long term	0.00	-	Jul 15, 2025	[ICRA]AA- (Stable)	Nov 28, 2024	[ICRA]A+ (Positive)	Aug 07, 2023	[ICRA]A+ (Stable)
				-	-	Dec 30, 2024	[ICRA]A+ (Positive)	-	-
Interchangeable limits – Others	Long term	0.00	-	Jul 15, 2025	[ICRA]AA- (Stable)	Nov 28, 2024	[ICRA]A+ (Positive)	Aug 07, 2023	[ICRA]A+ (Stable)
				-	-	Dec 30, 2024	[ICRA]A+ (Positive)	-	-
Fund-based – Others	Long term/ Short term	850.10	[ICRA]AA- (Stable)/ [ICRA]A1+	-	-	-	-	-	-
Interchangeable limits – Others	Long term/ Short term	(800.10)	[ICRA]AA- (Stable)/ [ICRA]A1+	-	-	-	-	-	-
Fund-based – Others	Short term	0.00	-	Jul 15, 2025	[ICRA]A1+	Nov 28, 2024	[ICRA]A1	Aug 07, 2023	[ICRA]A1
				-	-	Dec 30, 2024	[ICRA]A1	-	-
Interchangeable limits – Others	Short term	0.00	-	Jul 15, 2025	[ICRA]A1+	Nov 28, 2024	[ICRA]A1	Aug 07, 2023	[ICRA]A1
				-	-	Dec 30, 2024	[ICRA]A1	Aug 07, 2023	[ICRA]A1
Unallocated limits – Unallocated limits	Long term /Short term			-	-	-	-	Aug 07, 2023	[ICRA]A+ (Stable)/[ICRA]A1
Fund-based/Non-fund based – Others	Short term			-	-	-	-	Aug 07, 2023	[ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term – Fund-based – Others	Simple
Long-term/Short-term – Interchangeable limits – Others	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	Financial Sector Regulator#
NA	**Long-term/Short-term – Fund-based – Others**	NA	NA	NA	850.10	[ICRA]AA-(Stable)/ [ICRA]A1+	RBI
NA	**Long-term/Short-term – Interchangeable limits – Others**	NA	NA	NA	(800.10)	[ICRA]AA-(Stable)/ [ICRA]A1+	RBI

Source: Company

#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.

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	ITPL ownership	Consolidation approach
Inflow Technologies (Singapore) Pte Ltd	100.00%	Full consolidation
Inflow Technologies SL (Pvt Ltd) - Subsidiary of Inflow Technologies (Singapore) Pte Ltd	100.00%	Full consolidation

Source: Company

ANALYST CONTACTS

Jitin Makkar
+91 124-4545368
jitinm@icraindia.com

Srikumar Krishnamurthy
+91 44 4596 4318
ksrikumar@icraindia.com

Sruthi Thomas
+91 80 4332 6430
sruthi.thomas2@icraindia.com

Swaminathan S
+91 44 4596 4316
swaminathan.s@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

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ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches