July 31, 2026

S And T Welcare Equipments Private Limited: [ICRA]BBB- (Stable)/[ICRA]A3; assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Long term – Fund-based – Working capital limits	8.25	[ICRA]BBB- (Stable); assigned	RBI
Long term – Fund-based – Term loans	2.25	[ICRA]BBB- (Stable); assigned	RBI
Short term – Non-fund based – Others	10.50	[ICRA]A3; assigned	RBI
Total	**21.00**		

**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 assigned to S and T Welcare Equipments Private Limited (STWEPL) consider its established presence and the extensive experience of its promoters in the fitness equipment industry. The assigned ratings also derive comfort from its established distribution network, encompassing both e-commerce platforms and offline channels, which have enabled steady growth in revenues and earnings over the years. STWEPL's operating income grew to Rs. 120.9 crore in FY2026 (provisional) from Rs. 73.4 crore in FY2021 driven by the expansion of the product portfolio and growing dealer network. Besides, its operating profitability margin (OPM) improved gradually to 11.9% in FY2026 from 4.3% in FY2025, mainly supported by the increasing scale of operations. Going forward, ICRA expects revenues and earnings to rise gradually, aided by the continued expansion of the dealer's network and steady demand for fitness equipment from institutional, commercial and retail users. The ratings also draw comfort from STWPL's healthy debt coverage metrics, characterised by an interest coverage of 8.6 times and Total Debt/OPBDITA of 1.0 times in FY2026 due to limited reliance on bank debt.

The ratings are, however, constrained by STWEPL's moderate scale of operations despite the steady improvement in recent years. Additionally, the net worth position remained moderate at Rs. 30.5 crore as on March 31, 2026, despite steady accretion to reserves over the past three fiscals. Further, the company's operations are still working capital-intensive, with increasing NWC/OI of around 28% in FY2026 against 9.6% in FY2022, mainly due to rising inventory requirements amid high lead time from overseas suppliers, seasonal sales patterns and the need to stock a broad range of products. Further, STWEPL's profitability remains susceptible to fluctuations in commodity prices and foreign exchange rates, given its large dependence on imports. The company also faces stiff competition from large, organised players in the segment, which could exert pressure on margins. Further, the operations are exposed to geographical concentration and region-specific demand risks as it derives the majority of revenues from Tamil Nadu, notwithstanding the gradual expansion of its all-India distribution network and e-commerce presence.

The Stable outlook on the rating reflects ICRA's opinion that company's operational and financial profile would remain comfortable, adequately supported by its dealership network and healthy demand outlook in the fitness equipment segment.

Key rating drivers and their description

Credit strengths

Established presence in fitness equipment industry and extensive experience of promoters – STWEPL benefits from the long-standing experience of its promoters in the fitness equipment industry for more than two decades. The promoter's expertise in sourcing, distribution management and supplier relationships has enabled the company to establish a recognisable brand presence in its target markets, supporting business stability and recurring demand. It has developed a diversified product portfolio catering to institutional, commercial and retail customers, thereby reducing its dependence on any single customer category.

Comfortable debt coverage indicators – STWEPL's financial profile is supported by robust profitability and comfortable debt coverage indicators. The OPM improved from 8.9% in FY2024 to 11.9% in FY2026, driving increased earnings and enhanced debt protection metrics, with the Total Debt/OPBDITA metric enhancing to 1 time in FY2026, while interest coverage ratio stood at a healthy 8.6 times in FY2026. Moreover, the absence of significant debt-funded expansion plans is expected to support the maintenance of a comfortable leverage profile over the near-to-medium term.

Well-established distribution network with notable presence across e-commerce platform – STWEPL has a multi-channel distribution platform comprising dealers, company-operated outlets and leading e-commerce platforms. This diversified sales infrastructure broadens market reach and reduces dependence on a single source of revenue. The increasing contribution from e-commerce sales has enhanced geographic penetration and brand visibility while supporting revenue growth. Continued investments into marketing initiatives, product additions and customer engagement have strengthened the company's competitive positioning and helped maintain demand momentum.

Credit challenges

Moderate scale of operations; however, improving over the years – Despite the steady revenue growth over the past few years, STWEPL's revenue base remains moderate in an intensely competitive industry, which limits pricing power and economies of scale. Further, the moderate scale may constrain the company's ability to absorb adverse business or competitive pressures. Nevertheless, its established dealer network and expansion into new geographies are expected to support revenue growth, going forward

Moderate net worth and working capital-intensive nature of business – STWEPL operations are working capital-intensive in nature, owing to the significant inventory holding requirement to ensure product availability and timely delivery across its distribution network. Besides, credit extended to dealers also results in higher increased NWC/OI of 27.7% in FY2026 (24.1% in FY2024). Further, the company's net worth remains moderate, while an anticipated growth in revenues and earnings is expected to strengthen the net worth base over the medium term.

Susceptibility of profit margins to fluctuations in raw material prices and exchange rates – As a substantial portion of the company's procurement is through import, the profit margins remain exposed to exchange rate volatility. While hedging arrangements mitigate near-term currency risks, it is still vulnerable to structural supply-side disruptions, cost escalations and changes in trade dynamics. The profitability remains susceptible to any fluctuations in the procurement prices. Moreover, the fitness equipment industry is characterised by intense competition from domestic and international brands, rapid product innovation, evolving consumer preferences and pricing pressures.

Liquidity position: Adequate

The company's liquidity is expected to remain Adequate, supported by steady cash generation from the business while maintaining a buffer of Rs. 2-3 crore of free cash/bank balances for any contingencies. The average utilisation of its fund-based working capital utilisation stood at around 88% of the sanctioned limit over the 12-month period ending in June 2026. It is projected to generate net cash accruals in the range of Rs. 8–10 crore in FY2026 against the repayment obligations of Rs. 0.5 crore in FY2027. ICRA also notes that the company does not have any major debt-funded capital expenditure (capex) plans in the near term, hence, available liquidity is expected to be sufficient to meet incremental working capital funding requirements.

Rating sensitivities

Positive factors – The ratings could be upgraded if there is a sustained increase in revenues and earnings, leading to strengthening of net worth while maintaining the comfortable debt protection metrics and liquidity position.

Negative factors – The ratings could be downgraded if there is a significant decline in revenues and earnings, any major elongation of working capital cycle or any large debt-funded capex or loans/advances to group entities or sizable dividends, impacting the debt protection metrics or liquidity position. A specific credit metric for ratings downgrade is TOL/TNW more than 2.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology]
Parent/Group support	No
Consolidation/Standalone	The ratings are based on STWEPL's consolidated financial statements, and the list of the companies considered for consolidation have been mentioned in Annexure-II

About the company

S And T Welcare Equipments Private Limited (STWEPL), incorporated in 1998 and based in Coimbatore, Tamil Nadu, is engaged in the trading and distribution of fitness equipment, gym solutions and healthcare monitoring products under its own brand "Welcare". The company caters to institutional, commercial and retail customers across India through an established distribution and service network, along with a strong e-commerce presence on platforms such as Amazon and others. STWEPL is promoted and managed by Mr. Mahesh Chellappan.

Key financial indicators (audited)

STWEPL (consolidated)	FY2025	FY2026*
Operating income (OI)	108.7	120.9
PAT	8.2	9.4
OPBDIT/OI	11.6%	11.9%
PAT/OI	7.6%	7.8%
Total outside liabilities/Tangible net worth (times)	1.7	1.2
Total debt/OPBDIT (times)	1.2	1.0
Interest coverage (times)	9.1	8.6

*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

Name of the CRA	Date of Press Release	Rating Action
Acuité Ratings	June 30, 2025	ACUITE BB-/ ACUITE A4+; Downgraded/Reaffirmed and Issuer not co-operating; LT rating downgraded from ACUITE BB; ST rating reaffirmed and continued under Issuer Not Cooperating category

Any other information: None

Rating history for past three years

Instruments	Current ratings (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Jul 31, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Working capital limits	Long term	8.25	[ICRA]BBB- (Stable)	-	-	-	-	-	-
Fund-based – Term loans	Long term	2.25	[ICRA]BBB- (Stable)	-	-	-	-	-	-
Non-fund based – Others	Short term	10.50	[ICRA]A3	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Working capital limits	Simple
Long term – Fund-based – Term loans	Simple
Short term – Non-fund based – 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 – Fund-based – Working capital limits**	NA	NA	NA	8.25	[ICRA]BBB- (Stable)	RBI
NA	**Long term – Fund-based – Term loans**	FY2023-FY2027	NA	FY2028-FY2032	2.25	[ICRA]BBB- (Stable)	RBI
NA	**Short term – Non-fund based – Others**	NA	NA	NA	10.50	[ICRA]A3	RBI

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
S And T Welcare Equipments Private Limited	Parent entity	Full consolidation
Max Pro Amazing Equipments Private Limited	100%	Full consolidation

Source: Company

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ABOUT ICRA LIMITED

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