

Studds Accessories Limited

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	-	-	Reaffirmed at CARE A+; Stable / CARE A1+ and Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of Studds Accessories Limited (SAL) reflects the established track record of operations with experienced promoters, strong brand recall and the leadership position of SAL in the helmet industry catering to a diversified customer base including original equipment manufacturers (OEMs) and extensive dealer network. Ratings also factor in the company's comfortable financial risk profile marked with no debt outstanding, efficiently managed working capital requirements and robust operational performance reflective in its sustained revenue growth and margin expansion in FY25 and 9MFY26 driven primarily by increased sales volume and higher export business. However, ratings continue to remain constrained by vulnerability to raw material price volatility and competition from organised and unorganised players in the market.

CARE Ratings Limited (CareEdge Ratings) has subsequently withdrawn outstanding ratings of 'CARE A+; Stable/ CARE A1+', assigned to bank facilities of SAL with immediate effect. This action has been taken at the request of SAL and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by CareEdge Ratings.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings expectation that SAL would continue to maintain its dominant position in the helmet industry, which should help maintain its comfortable financial risk profile.

Detailed description of key rating drivers:

Key strengths

Dominant market position, long track record of operations and reputed client base

SAL has established a strong reputation in the helmet industry for over four decades, commanding ~25% market share in India. The company's influence extends beyond domestic borders, with a robust global presence, exporting its products to over 70 countries across Europe, Asia, America, Australia, and the Middle East. SAL markets helmets under its Studds and SMK (premium) brands. The company also offers a range of accessories, including jackets, gloves, luggage boxes, face shields, and visors, among others.

SAL has a long-standing history of supplying products to well-known OEMs such as Honda Motor, Royal Enfield, Hero Motocorp, and Yamaha, among others. Gaining product approval from OEMs is a time-consuming and costly process. As helmets are critical for safety and comfort, a combination of domain expertise and strong brand recall creates significant entry barriers for new players in the industry. SAL maintains strong relationships with its domestic OEMs and retailers across India. Promoters' extensive industry expertise and strong relationships with clients enable SAL to maintain its leading market position. The company primarily sells its products through dealers, OEMs, government canteens, exports, and its own website.

Improved capital structure and debt coverage indicators marked by nil long-term debt

As on March 31, 2025, SAL maintained a comfortable capital structure, reflected by an overall gearing ratio of 0.01x and a total outside liabilities to tangible net worth (TOL/TNW) ratio of 0.19x, improving from 0.02x and 0.21x, respectively, in the previous year.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications

Robust operational performance

In FY25, SAL reported a 9.7% increase in total operating income, rising from ₹531.66 crore in FY24 to ₹586.57 in FY25. This growth was primarily driven by higher sales volume, with the company selling ~75 lakh helmets compared to 71 lakh in the previous fiscal year. Profit before interest, lease rentals, depreciation and taxation (PBILDT) margins improved significantly from 17.62% in FY24 to 18.75% in FY25. Margins are expected to improve further export sales, which yield higher margins compared to domestic sales, continue to grow. In 9MFY26, SAL reported a revenue of ₹463.83 crore, a 6.8% increase from ₹433.91 crore in 9MFY25. PBILDT margins also improved to 19.78% in 9MFY26, up from 18.03% in the same period last year.

Efficient operating cycle

SAL sources materials from micro, small, and medium enterprises (MSME) and non-MSME suppliers, benefiting from a credit period of ~30–60 days. On the receivables side, export payments are secured either in advance or through letter of credit (LC), while dealer payments are typically received within seven days. For online sales and OEM transactions, receivables are collected within 30–45 days and for government customers the receivable period is typically ~0-180 days. This efficient receivable management results in a negative working capital cycle, enabling SAL to manage its working capital requirements effectively and maintain strong liquidity.

Key weaknesses

Exposure to raw material price volatility

Around 50% of SAL's raw materials are derived from crude oil, making its input costs sensitive to fluctuations in international crude oil prices. These prices are often influenced by global geopolitical tensions, particularly in major oil-producing regions, which can disrupt supply chains and create volatility. SAL enters short-term contracts with its customers to mitigate large raw material price volatility. Being market leader, SAL has bargaining power to pass on increase in raw material prices to its customers, however, with increased competition it cannot be passed on fully.

Exposure to competitive pressure

India's domestic helmet industry is largely dominated by a few organised players, Studds, Steelbird, and Vega, which collectively hold a significant share of the market. SAL competes with these established brands and with smaller organised and unorganised manufacturers, creating pressure on its operating profitability margins.

In recent years, the organised segment of the industry has been steadily expanding. This shift toward organised manufacturing has enabled major players, including SAL, to achieve stronger revenue growth and improved margins, reflecting a positive structural trend within the sector.

Liquidity: Strong

SAL has strong liquidity, highlighted by its cash and cash equivalents totalling to ₹81.48 crore as of September 30, 2025. The company holds lien-marked fixed deposits (FDs) of ~₹21-22 crore against its working capital limits. The company's average working capital utilisation is nominal below 5%, providing adequate buffer to manage its working capital requirements efficiently.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Consumer durables	Consumer durables	Diversified consumer products

SAL was incorporated in 1983 and promoted by Madhu Bhushan Khurana, Chairman and Managing Director. The company manufactures helmets and motorcycle accessories (luggage box, face shield, and visor among others) for two-wheelers and sells through a network of ~360 dealers across India. The company's manufacturing facilities are at Faridabad (Haryana).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26(UA)
Total operating income	531.66	586.57	463.83
PBILDT*	93.68	109.97	91.79
Profit after tax (PAT)	57.23	70.78	62.23
Overall gearing (x)	0.02	0.01	NA
Interest coverage (x)	54.09	84.27	166.89

A: Audited UA: Unaudited; 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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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/ ST- Working Capital Limits		-	-	-	0.00	Withdrawn

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (25-Mar-25)	1)CARE A+; Stable (12-Feb-24)	1)CARE A+; Stable (03-Mar-23)
2	Fund-based - LT/ST-Working Capital Limits	LT/ST	-	-	1)CARE A+; Stable / CARE A1+ (02-Apr-26)	1)CARE A+; Stable / CARE A1+ (25-Mar-25)	1)CARE A+; Stable (12-Feb-24)	1)CARE A+; Stable (03-Mar-23)
3	Non-fund-based - ST-Working Capital Limits	ST	-	-	-	1)Withdrawn (25-Mar-25)	1)CARE A1+ (12-Feb-24)	1)CARE A1+ (03-Mar-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple

Annexure-5: 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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