

Research Report

On

Studds Accessories Ltd



Company Profile

STUDDS ACCESSORIES LIMITED is arguably the world's largest manufacturer of helmets. Studds Accessories Ltd (STUDDS) world's leading brand for Helmets was incorporated in 1982. The company has two flagship brands STUDDS & SMK HELMETS. A state-of-the-art manufacturing plant churns out over 5 million helmets every year. Age of company is 35 years, 4 month, 27 days. STUDDS ACCESSORIES LIMITED Public UnListed Indian Non-Government Company, registered at Faridabad (Haryana), with a paid up capital of ₹1.09 Cr. As per MCA and other Industry classification records, the main line of business is Manufacture of Rubber and Plastic Products.

Board of directors

- ✚ GARIMA KHURANA-Director
- ✚ PALLAVI SALUJA-Director
- ✚ CHARU LEEKHA-Director
- ✚ SANJAY LEEKHA-Director
- ✚ MADHU BHUSHAN KHURANA-Director
- ✚ CHAND KHURANA-Whole time Director
- ✚ SIDHARTHA BHUSHAN KHURANA-Managing Director
- ✚ KANIKA BHUTANI-Company Secretary
- ✚ SANJAY SETHI-CFO

Certification:

- ✚ Certificate of ISO 9001:2008
- ✚ Certificate of OHSAS 18001:2007
- ✚ Certificate of VCA
- ✚ AWARD BY HONDA MOTOR INDIA PVT LTD

Financial Overview of company

PARTICULARS	2017	2016
TOTAL INCOME	274	258
PAT	24	25
EPS	217.63	224.21
EQUITY	1.09	1.09
FACE VALUE	10	10
BOOK VALUE	788.35	581.53
DIVIDEND (%)	0.9	0.8

- ✚ Total Income has increased by 23% on CAGR basis over a period of 2 years.
- ✚ Profitability of the company has jumped up to 51% on CAGR basis over the period of 3 Years.
- ✚ Book Value of the company has increased 41% on CAGR basis over the period of 3 years.
- ✚ Equity of the company has remained stable over the years.
- ✚ Company is paying out dividend since 2016.

Industry Outlook

- ✚ India two-wheeler helmet market growth is anticipated on account of rising awareness among consumers for safety coupled with introduction of advanced safety features in two-wheeler helmets. Moreover, increase in sales of luxury or premium two-wheeler vehicles, rising per capita income, increasing population, growth automobile sector.
- ✚ There are several innovation been undertaken in helmets such as carbon fiber helmet, air cooled technology in helmets, helmets with anti-glare visor, push button and helmet lock features, increasing number of helmet manufacturers and safety rules.

- ✚ In 2017 Cabinet has taken iconic step in Indian Road Safety measures by passing final Motor Vehicle (Amendment) Bill 2016 under which not wearing a helmet can even lead to suspension of license. The Motor Vehicle Bill proposes stringent changes in laws and fines for road and vehicular safety. This bill shall benefit Studds Accessories Ltd and other helmet manufacturer.

Company future outlook

- ✚ Studds Accessories is in planning phase to open a new production unit at IMT Faridabad. The new unit is expected to have capacity of production higher than the current unit which shall increase the number of helmet production making Studds a market leader in coming years.
- ✚ Recently STUDDS has launched an international brand SMK . SMK helmets are designed and developed in Europe by the best, expert designers, before being produced by Studds. It is a Premium product with higher profit margin is launched with focus on European & western market. Product performance is satisfactory which shall help to increase the financial performance of the company visible by 2018.

Peer group

Competitors of Studds Accessories Ltd are Vega, Steelbird, CEAT, Aerostar, Wrangle etc. There is no helmet manufacturing companies listed so far on BSE/NSE.

Our recommendation

As per the above parameters and calculation we strongly recommend to BUY the Studds Accessories Ltd.

For More Details

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PLANIFY

Investment in unlisted/PRE IPO shares have the potential of giving high returns, they are also accompanied but higher risk due to a variety of reasons. Investors need to exercise caution while investing in Unlisted/PRE IPO companies. Generally, they should have a minimum time horizon of 3 years and should not allocate more than 50% of their equity in Unlisted/PRE IPO Shares. All facts and figures taken from the shareholders report available in public domain.