

September 30, 2025

Endurance Technologies Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ Short-term – Fund-based/ Non-fund based limits	22.00	22.00	[ICRA]AA+(Stable)/[ICRA]A1+; reaffirmed
Commercial Paper	100.00	100.00	[ICRA]A1+; reaffirmed
Total	122.00	122.00	

*Instrument details are provided in Annexure-1

Rationale

The reaffirmed ratings continue to take into account Endurance Technologies Limited's (Endurance's) robust position as one of the largest Indian automotive component manufacturers with a strong clientele. Its client base spans almost all major two-wheeler (2W) original equipment manufacturers (OEMs) in the domestic market and reputed four-wheeler (4W) OEMs, such as Stellantis NV (Stellantis), Volkswagen AG and Daimler AG, in the European market. The ratings also factor in its diversified product offerings across aluminium diecasting, suspension, transmission and braking components. The company is also eyeing higher segmental diversification through aluminium forgings, driveshaft manufacturing and battery management systems (BMS) and increasing its focus on the EV market, the Indian 4W market and the aftermarket segments.

Endurance reported healthy YoY revenue growth in FY2025 and Q1 FY2026 (at 13% and 17%, respectively), aided by steady operational performance in the India operations. The Europe operations, however, witnessed muted growth, although the company continued to outperform the underlying markets, which have been experiencing a slowdown in demand in recent quarters. Further, the acquisition of Stoferle in April 2025 resulted in a comfortable YoY revenue growth of 39% for Europe operations in Q1 FY2026. Benefiting from operating leverage in India and cost-optimisation measures across divisions, Endurance reported an improvement in its consolidated operating profit margin (OPM) to 13.4% in FY2025 and Q1 FY2026, compared to 13.0% in FY2024.

The ratings also reflect Endurance's strong financial risk profile as evidenced by its low leverage and strong debt coverage indicators, which is likely to sustain in the near-to-medium term on account of limited dependence on external borrowings. The company continued to report a negative net debt position on a consolidated basis as of March 2025, which is expected to continue going forward. Endurance's liquidity position remains strong, supported by cash and investments of ~Rs. 1,807 crore on the consolidated level and healthy quantum of undrawn bank lines, which were upward of Rs. 200 crore (standalone entity) as of March 2025. ICRA expects Endurance's revenues to register healthy growth over the medium term, supported by the ramp-up in new orders as well as its ongoing efforts to diversify its clientele and product offerings. The increasing traction witnessed in the aftermarket segment and the non-automotive segment should also aid in revenue expansion and diversification going forward.

The ratings are, however, partially offset by client concentration risks with respect to Bajaj Auto Limited (BAL) in the domestic market (although the concentration is reducing gradually) and the inherent risks associated with the cyclicity of the automotive industry, given Endurance's still-limited (albeit increasing) presence in the aftermarket segment. The company's efforts towards backward integration and product-mix improvement are expected to support it in maintaining a stable and enhanced margin profile over the medium-to-long term. While the increasing global shift towards electric vehicles (EVs) could pose long-term challenges to the company's transmission products, comfort is drawn from Endurance's success in securing component supply contracts for EV and hybrid vehicles in Europe and India, backed by strong research and development (R&D) capabilities. Accordingly, ICRA expects Endurance to gradually shift its product offerings to suit the underlying industry demand trends and minimise any adverse impact on the company's cash flows over the medium term.

ICRA also notes the acquisition of Stoferle GmbH and Stoferle Automotive GmbH (Stoferle) by Endurance through its wholly-owned subsidiary, Endurance Overseas SpA, in April 2025. Stoferle's acquisition is expected to aid Endurance in expanding its prowess in the machined aluminium die casting technology in Europe. Overall, ICRA expects the company to exhibit both organic and inorganic growth over the medium term to gain access to new customers, products and technologies.

The Stable outlook on the long-term rating of Endurance reflects ICRA's expectations that the company will sustain its operating metrics even as its Europe operations may continue to see muted demand over the near term, in line with the market conditions. Further, the outlook underlines ICRA's expectation that the entity's incremental capex and/or inorganic acquisition(s), if any, to further expand the capacity, will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Among the largest Indian auto component manufacturers with strong relationships with reputed automotive OEMs; healthy wallet share with key customers – Endurance is one of the largest automotive component manufacturers in India, with operating revenues of Rs. 11,561 crore at the consolidated level in FY2025. Its Indian operations generated 76% of its total revenues in FY2025 (69% in Q1 FY2026), while its European operations contributed the rest. At present, Endurance supplies to all major 2W OEMs in India and is a key supplier to BAL, Honda Motorcycle & Scooters India Limited (HMSI), Eicher Motors Limited (Eicher), and Hero MotoCorp Limited (HMCL), TVS Motor Company Limited (TVS), Hyundai Motor India Limited (Hyundai) and Kia India Private Limited (Kia). In Europe, Endurance's key clientele includes Volkswagen AG, Stellantis, and Daimler AG. The company has benefited from its established relationships with these OEMs, and has over the years, focussed on improving the content per vehicle and wallet share with these OEMs, lending revenue visibility as well as improving growth prospects.

Diversified product mix with presence across aluminium die casting, suspension, braking and transmission segments – In India, Endurance has a leading market share in the supply of aluminium die casting components, and is also among the top suppliers of suspension, transmission and braking products in the domestic 2W auto-component market. In addition to its four main product segments, the company has recently ventured into newer product segments such as aluminium forgings and driveshafts, which would offer further diversification benefits. Further, it has also made inorganic investments aimed at improving its technological capabilities for transmission and brakes, growing its presence in the aftermarket while also aligning its business with the emerging EV environment through the BMS offering. Even in terms of automotive segments catered, Endurance has a diversified exposure, with Indian operations catering to 2W, 3W and passenger vehicle (PV) segments, while in Europe, it derives most of its revenue from PVs and has recently focussed on the 2W market. Revenues from non-automotive applications, although limited at present, are expected to increase gradually going forward, offering further diversification to Endurance's revenue base over the medium-to-long term.

Financial profile characterised by healthy capital structure and strong liquidity profile – Endurance's financial profile is characterised by low gearing of 0.2 times, a negative net debt position, and a comfortable total debt to OPBDITA ratio of 0.6 times at the consolidated level, as on March 31, 2025. Aided by a stable business performance across key operational divisions, the company has posted a steady consolidated revenue growth over the years, reflected in a healthy CAGR of 15% over the past three years. Although Endurance historically maintained OPMs of 15-16%, profitability was somewhat impacted in FY2022-FY2023 due to pandemic-induced disruptions and input cost inflation. Since then, profitability has steadily recovered in FY2024 through Q1 FY2026, aided by corrective measures undertaken by the company and in line with the company's focus on high value-added products. ICRA expects the sustenance of revenue growth momentum, coupled with a gradual improvement in margins, going forward. Coverage metrics are also expected to demonstrate a gradual improvement driven by comfortable profitability and containment of finance costs going forward. Further, the company's working capital intensity has remained low, at ~5-8% at the consolidated level over the past few fiscals, backed by prudent working capital management. The company's liquidity profile remains strong, with consolidated cash and investments of over Rs. 1,807 crore as on March

31, 2025, along with a healthy quantum of unutilised working capital limits (with nil working capital utilisation for the 12-month period ending July 2025). The company will continue to invest in capacity enhancements as per requirements, both in its Indian and European operations. These investments are expected to be primarily funded from internal accruals, which will minimise the company's dependence on external borrowings and support its capital structure going forward.

Credit challenges

High, albeit reducing, customer concentration in the domestic market – Even though Endurance supplies to several 2W OEMs in India, BAL continues to be the mainstay of the company's revenues, constituting 38% of consolidated revenues and 50% of standalone revenues in FY2025. However, the share of revenues from BAL has reduced over the years from the highs of 55-60% (of standalone operations) in the past, through diversification initiatives undertaken by the company. Similarly, in Europe, the company diversified its customer base with order wins from Volkswagen and Daimler, thus reducing the revenue share of Stellantis (in Europe business) from the highs of 56% in FY2017 to 23% in FY2025. Moreover, Endurance's efforts to win new orders from customers other than BAL, along with new ventures such as driveshaft manufacturing, aluminium forgings, non-automotive castings and others are expected to help reduce the overall exposure towards these select key clients to a large extent.

Exposure to cyclical nature and volatilities of domestic and overseas automotive markets – While Endurance benefits from presence across different products and geographies, its business operations are still exposed to inherent risks associated with the cyclical nature of the automotive industry. The company also has a presence in the aftermarket segment, which constitutes a modest 5-6% of consolidated sales at present. The increasing focus on improving aftermarket presence in India and Europe, as articulated by the management, could aid in the insulation of revenues against the cyclical nature in the Indian and European automotive industries while also improving the company's overall profitability. Further, active efforts undertaken by the company to increase the revenue contribution from non-automotive applications, albeit gradually, provide some comfort against the cyclical nature and volatility of the automotive sector. While certain components supplied by Endurance (particularly transmission products) face the risk of obsolescence amid the increasing electrification of vehicles, ICRA notes the company's proactive efforts to align its product portfolio with emerging automotive technologies, thereby safeguarding cashflows against potential shifts in powertrain technologies across the industry in the coming years.

Environmental and Social Risks

Environmental considerations: Due to increasing preference for more environment friendly EVs over internal combustion engine (ICE) vehicles, Endurance may face obsolescence of certain products from its portfolio, mainly the products related to engine and transmission systems, which are required in an ICE vehicle but not in an EV. As a result, a part of Endurance's product portfolio remains exposed to the risk of increasing electrification in the automotive sector. However, with the company actively seeking opportunities to supply products to OEMs in the EV space, and most of its products being powertrain-agnostic, the risk is mitigated to a large extent. Moreover, electrification in the automotive sector is expected to be a gradual phenomenon, which should provide enough time for auto component manufacturers to strategise accordingly.

Social considerations: Endurance, like most automotive component suppliers, has a healthy dependence on human capital; as such retaining human capital, maintaining healthy employee relations as well as supplier ecosystem remain essential for disruption-free operations for the entity. The entity has been undertaking initiatives to support its vendors in the entire supply chain. It also procures goods and services from the MSME sector. Another social risk that Endurance encounters, like other auto-ancillaries, pertains to product safety and quality, wherein instances of product recalls and high warranty costs may lead to a financial implication and could harm the reputation and create a more long-lasting adverse impact. In this regard, Endurance's strong track record in catering to leading automotive manufacturers underscores its ability to mitigate these risks to an extent. Endurance recognises the role of quality in maintaining and growing its market share and focuses on improving quality to reduce rejections, save costs and safeguard its reputation.

Liquidity position: Strong

The company's liquidity profile is strong, supported by the sizeable cash and investments of ~Rs. 1,822 crore (consolidated) and a buffer of upwards of Rs. 200 crore (standalone) in the form of undrawn bank lines as of March 2025. The company had nil working capital utilisation for the 12-month period ending July 2025, highlighting its limited dependence over external borrowings for meeting its working capital funding requirements. Its liquidity profile is further enhanced by the healthy cash generation of ~Rs. 800-1,000 crore per annum at a consolidated level. Against these, the company plans for a capex of ~Rs. 1,000-1,200 crore annually and has annual debt repayment obligations of Rs. 300-350 crore in FY2026-FY2027.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings or the outlook could be revised to positive if the company demonstrates significant enhancement in scale of operations and return indicators, and there is substantial diversification in customer profile and improvement in aftermarket presence.

Negative factors – Any large debt-funded acquisition or capacity expansion, impacting the financial profile of Endurance such that total debt/OPBIDTA remains above 1.8 times on a sustained basis, could lead to a rating downgrade. Deterioration in the performance of the key customers and subsequent impact on Endurance's turnover and profitability indicators could also lead to a downward rating revision.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Auto Components
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Endurance Technologies Limited. Subsidiary details are enlisted in Annexure-II.

About the company

Endurance is among the largest auto component companies in India, present across aluminium die-cast components, suspension, transmission and braking components. The company was started as a captive supplier of components to BAL, and over the years, has gained scale by diversifying into various other product segments and adding new clients. At present, Endurance is engaged in the manufacturing of die castings as well as braking, transmission, and suspension systems for OEMs, predominantly in the 2W, 3W and PV segments.

The company has set up its own R&D setup, duly approved by the Department of Scientific & Industrial Research (DSIR) for each of the segments, enabling it to gain business and remain a preferred supplier with many of its client OEMs. The company also has a strong aftermarket business with overseas distributors in 39 countries, and 442 distributors in India. Through the acquisition of Maxwell, Endurance has ventured into the embedded electronics space, with BMS as the current flagship product. Outside India, the company has grown via acquisitions in the castings business, primarily in the European markets. Endurance enjoys strong relationships with the Stellantis Group and the Volkswagen (VW) Group, each accounting for ~25-30% of its European revenues. In Europe, Endurance manufactures components used in the engine and transmission, as well as EV and hybrid applications, and supplies the products in a fully-machined form to its customers – primarily in the PV segment. The two-wheeler (2W) business remains a key revenue contributor. The entity's India business contributes ~75-77% of the consolidated revenue, wherein ~80-82% of the India business is from 2Ws, and the rest from 3Ws, PVs and commercial vehicles (CVs). BAL remains the main customer for the company, accounting for 38% of the consolidated revenues in FY2025. In recent years, the company has also strengthened its relationship with other major OEMs, which is reflected in reduced reliance on revenues from BAL.

Key financial indicators

Endurance (Consolidated)	FY2024 Audited	FY2025 Audited
Operating income (Rs. crore)	10,240.9	11,560.8
PAT (Rs. crore)	680.5	836.4
OPBDIT/OI (%)	13.0%	13.4%
PAT/OI (%)	6.6%	7.2%
Total Outside Liabilities/Tangible Net Worth (times)	0.6	0.6
Total Debt/OPBDIT (times)	0.6	0.6
Interest Coverage (times)	31.1	33.1

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Source: Endurance, ICRA Research

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Sep 30, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based / Non fund based limits	Long-term / Short-term	22.0	[ICRA]AA+ (Stable)/ [ICRA]A1+	24-Sep-24	[ICRA]AA+ (Stable)/ [ICRA]A1+	27-Sep-23	[ICRA]AA+ (Stable)/ [ICRA]A1+	26-Sep-22	[ICRA]AA+ (Stable)/ [ICRA]A1+
Commercial Paper	Short-term	100.0	[ICRA]A1+	24-Sep-24	[ICRA]A1+	27-Sep-23	[ICRA]A1+	26-Sep-22	[ICRA]A1+

Source: Company

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term / Short term, Fund based / Non fund based limits	Simple
Commercial Paper	Very 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 No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Long term / Short term, Fund based / Non fund based limits	NA	NA	NA	22.0	[ICRA]AA+(Stable)/ [ICRA]A1+
NA*	Commercial Paper	NA	NA	NA	100.0	[ICRA]A1+

Source: Company; *Not yet placed

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Annexure-II: List of entities considered for consolidated analysis

Company Name	Endurance Ownership	Consolidation Approach
Endurance GmbH	100.00%	Full Consolidation
Endurance Overseas Srl	100.00%	Full Consolidation
Endurance SpA	100.00%	Full Consolidation
Endurance Castings SpA	100.00%	Full Consolidation
Endurance Engineering Srl	100.00%	Full Consolidation
Endurance Two Wheelers SpA	100.00%	Full Consolidation
GDS Sarl	100.00%	Full Consolidation
Veicoli Srl, Italy	100.00%	Full Consolidation
Ingenia Automation Srl	100.00%	Full Consolidation
Maxwell Energy Systems Private Limited	100.00%	Full Consolidation

Source: Company

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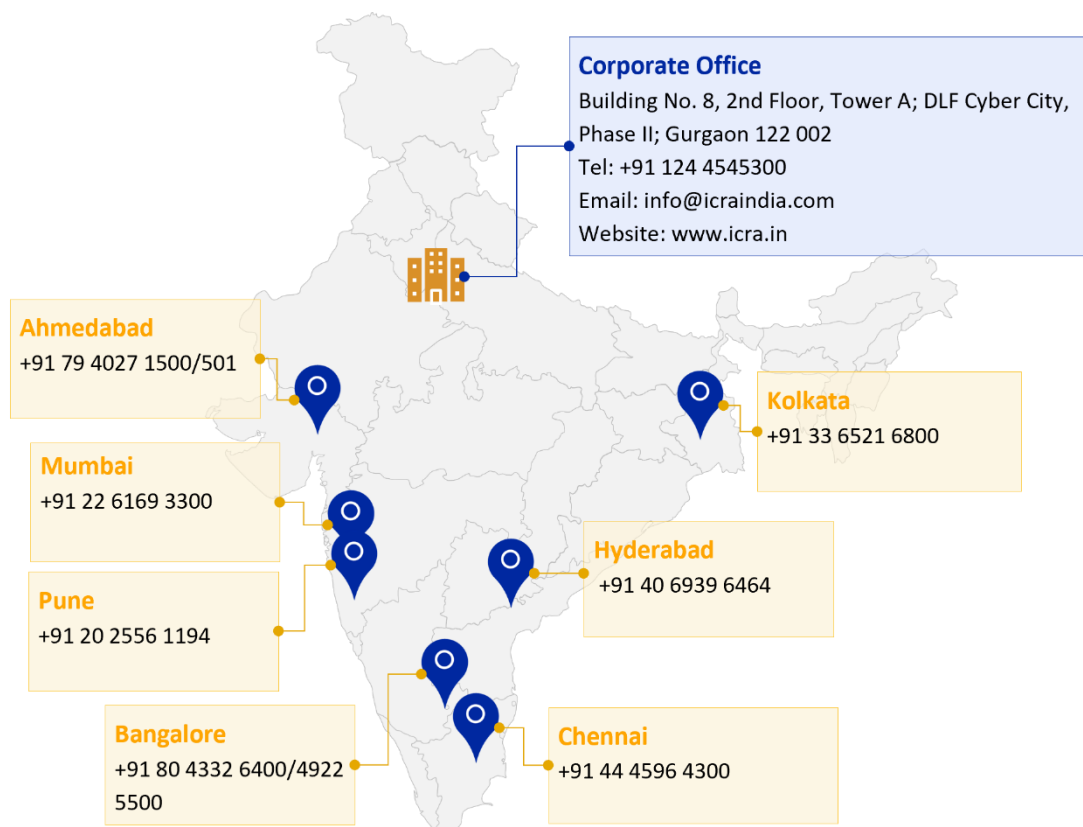


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