

June 11, 2026

Exide Industries Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating Action
Fund-based limits – Long-term	400.00	400.00	[ICRA]AAA (Stable); Reaffirmed
Non-fund based – Long-term	900.00	900.00	[ICRA]AAA (Stable); Reaffirmed
Unallocated – Long-term	700.00	700.00	[ICRA]AAA (Stable); Reaffirmed
Commercial Paper – Short-term	50.00	50.00	[ICRA]A1+; Reaffirmed
Total	2,050.00	2,050.00	

*Instrument details are provided in Annexure-II

Rationale

The reaffirmation of the ratings for Exide Industries Limited (EIL) factors in ICRA's expectation of sustained financial performance in the medium term, supported by its dominant market position in lead acid batteries and early mover advantage in lithium-ion (Li-ion) batteries. The company has a diversified revenue mix across multiple end-user industries and customer segments. The diversified presence in lead acid batteries protects its revenues to a large extent from risks due to segment or customer specific impacts. Further, the foray into Li-ion cell manufacturing is expected to help the company leverage potential disruptions arising from the increased penetration of electric vehicles (EVs) and transition to Li-ion batteries for other non-automotive segments. EIL's consolidated revenues grew by 4.2% to Rs. 17,995.4 crore in FY2026, while its operating margins remained healthy at 10.4%, aided by its dominant market position, favourable product mix, cost optimisation measures and price hikes undertaken to pass on the impact of commodity price escalations. The company's debt protection metrics and liquidity position remain strong, with unencumbered cash and liquid investments of Rs. 1,082 crore as on March 31, 2026. Further, it holds an investment of around Rs. 5,100 crore in HDFC Life Insurance Company Limited (as on March 31, 2026), which provides it with ample financial flexibility.

The ratings factor in the ongoing significant capex for EIL's Li-ion cell manufacturing plant in Bengaluru under its subsidiary, Exide Energy Solutions Limited (EESL), with a total project cost of around Rs. 5,600 crore for Phase 1 (cost overrun from earlier budgeted cost of Rs. 5,200 crore due to operational reasons). The company has already expended around Rs. 4,800 crore up to FY2026, and the remaining is likely to be incurred in FY2027. The capex is partially debt-funded with financial closure for the same achieved. EIL has infused Rs. 4,802 crore of equity into EESL till March 31, 2026, and expects to invest another Rs. 1,400 crore in FY2027. The funds have been utilised towards capex, working capital requirements and operating expenses of the subsidiary. ICRA notes that this capex is critical for early mover advantage in Li-ion cell manufacturing. Despite the relatively high capex, EIL's consolidated capital structure and coverage metrics are expected to remain strong over the medium term.

The battery space has inherent regulatory risks, especially on account of the hazardous nature of lead recycling operations. Thus, the business remains exposed to strict pollution control norms for handling lead. Although any deviation from compliance could result in reputational risks and other penalties for EIL, the company has not faced pollution-related issues historically. EIL faces competition from both organised and unorganised players in the lead-acid battery segment, as well as from imports and other entities investing in Li-ion cell manufacturing in India. However, its established market presence, extensive distribution network, brand strength, and product quality help mitigate risks in the lead acid segment to some extent, while the relatively high capital intensity of Li-ion cell manufacturing, EIL's early mover advantage, and strong distribution and customer network mitigate the latter risk to an extent. The company's earnings are exposed to fluctuating raw material prices,

but EIL has been successful in passing on the same to customers to a large extent, mitigating the risk partially. Any impact of the ongoing West Asia conflict on the company's earnings also remain a key monitorable.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will be able to sustain its strong credit profile, supported by its strong business position and healthy cash accruals, despite significant ongoing capex.

Key rating drivers and their description

Credit strengths

Strong financial risk profile – EIL's revenues and earnings remain stable, supported by demand from its end-user segments and healthy market share in the replacement segment. At the consolidated level, the company's cumulative cash accruals for FY2022-FY2026 stood at over Rs. 6,600 crore, and it had sizeable cash and liquid investments of Rs. 1,082.1 crore against a consolidated gross debt of Rs. 1,575.4 crore (including lease liabilities of Rs. 482.3 crore) as on March 31, 2026. Further, it has an investment in HDFC Life Insurance Company Limited valued at around Rs. 5,100.0 crore (as on March 31, 2026), providing financial flexibility. The company has consolidated capex plans of Rs. 1,000-1,500 crore for FY2027, with a large portion of it earmarked for the Li-ion cell manufacturing plant. Part of the capex is likely to be debt-funded and financial closure for the same has been achieved. Despite this capex, EIL's consolidated capital structure and coverage metrics are estimated to remain strong over the medium term.

Dominant market position in the automobile batteries market – EIL is the market leader in the domestic automobile battery industry, both in the original equipment manufacturer (OEM) as well as replacement battery space. The company's established presence, its distribution network/brand and product quality have resulted in its strong position in the domestic battery segment. EIL, through EESL, assembles Li-ion battery packs used in EVs and is setting up a Li-ion cell manufacturing plant.

Diversified revenue segments across multiple end-user industries in the industrial sector – Apart from automobiles, EIL also sells its batteries to the industrial sector. Its industrial battery customers come from diversified sub-segments, including fast-moving industrial batteries, solar, telecom, traction, power, etc. ICRA notes that most of these end-user industries are cyclical in nature. Hence, EIL's industrial sector revenues are exposed to business downturns, although its diversified end-user base mitigates the demand risk to a large extent.

Early mover advantage in Li-ion cell manufacturing; favourable demand outlook for EVs – While India is a large automobile market globally, its EV industry is still nascent. However, there has been a strong push by both Central and state governments for faster adoption of EVs, especially in recent years. ICRA expects EV penetration to be around 25% for two-wheelers (2Ws), 60% for three-wheelers (3Ws), 30% for buses, 20% for light commercial vehicles (LCVs) and 15% for passenger vehicles (PVs), as a percentage of total sales by 2030. Given the medium to long-term demand prospects for EVs, domestic auto OEMs and ancillaries are investing in developing a local vendor ecosystem, and EIL is one of the early movers in Li-ion cell manufacturing in India. The company is setting up a 6-GWh Li-ion cell facility at Bengaluru in the first phase, through its subsidiary, EESL. Once the first phase is completed, it plans to expand to 12-GWh based on demand. EIL has tied up with SVOLT Energy Technology Company Limited (SVOLT) for technology licence and services. The construction of the first phase has been progressing well and its commercialisation is expected by September 2026 (against the earlier expectation of H2 FY2026). ICRA expects EIL's brand equity, established clientele and distribution network to mitigate offtake risks to a large extent. Moreover, while the capex is significant, ICRA notes that it is critical to capitalise on opportunities from EVs.

Credit challenges

Sizeable ongoing capex plans; project exposed to risks of execution, demand/off-take, supply chain and technology obsolescence – Through its wholly owned subsidiary EESL, EIL is undertaking significant capex for its Li-ion cell manufacturing plant at Bengaluru, for which a large portion of the first phase of capex has been completed. The project is at an advanced stage and no material cost or time overruns are expected for the remaining part. The capex incurred so far has been mainly

funded by an equity infusion of Rs. 4,802 crore from EIL, while part of the remaining capex is expected to be debt-funded. ICRA notes that significant dependence on imports for sourcing raw materials exposes it to geopolitical and region-specific risks for raw materials. Also, there are risks on the off-take front, given that EV penetration is still in nascent stages in India, and the company does not have any 'take-or-pay' agreements. While EIL is investing in Li-ion cells, the emergence of any alternative battery technologies, such as solid-state batteries, could also expose it to obsolescence risks. Nonetheless, the company's collaboration with SVOLT for the technology/supply chain mitigates the risks to an extent. EIL's consolidated capital structure and coverage metrics are likely to remain strong over the medium term, despite its sizeable capex plans.

Competition from other organised and unorganised players – EIL is exposed to competition in its lead acid battery business across auto and industrial battery sectors. In the replacement segment, the company also faces competition from unorganised players. Its established presence, distribution network/brand and product quality mitigate the risk to an extent. Further, the company has also undertaken several cost optimisation initiatives in its supply chain, production and distribution network to mitigate margin pressures from competitive threats to a large extent. While the company is expected to witness competition from imports and other players that have invested in Li-ion cell manufacturing in India, the relatively high capital intensity, EIL's early mover advantage and its strong distribution/ customer network, however, mitigate the competition in Li-ion cell manufacturing in India to an extent.

Hazardous nature of lead recycling operations – Lead, a highly toxic and polluting material, is the primary raw material for manufacturing batteries. Akin to other industry players, the company is bound by strict pollution control norms for handling lead. Although any deviation in the same could result in reputational risks and other penalties for the company, the historical absence of pollution-related issues provides comfort to a large extent.

Environmental and Social Risks

Environmental considerations – EIL remains indirectly exposed to climate-transition risks by virtue of its automotive OEM customers, whose manufactured products are used across different fuel powertrains. Accordingly, the prospects for EIL are linked to the ability of its customers to meet tightening emission requirements. The foray into Li-ion cell manufacturing would mitigate these risks to an extent. The company also remains exposed to tightening environmental regulations with regard to waste/recycling and pollution norms, which can lead to an increase in operating costs and new capacity instalment costs. EIL has been taking steps to minimise the impact of environmental risks on its operations by ensuring adherence to requirements on waste, water and emission management.

Social considerations – Social considerations for EIL relate primarily to maintaining healthy industrial relations and product safety. Attracting and nurturing skilled manpower is critical as it seeks to keep pace with innovation and technological changes. On the product front, vehicle recalls by OEMs because of defective auto parts and any recalls of Li-ion batteries (since this is a nascent technology) could create additional cost burden and liabilities. The company is also exposed to changing consumer preferences, including but not restricted to rising awareness of the potential environmental damage from emissions, and the need to use sustainable materials.

Liquidity position: Strong

EIL's liquidity position is strong, supported by its strong operational cash flows of over Rs. 1,000 crore annually, sizeable cash and bank balances and liquid investments of Rs. 1,082 crore (as on March 31, 2026) along with sanctioned fund-based working capital lines of Rs. 400.0 crore (on standalone basis, which have been unutilised for most of the year) as well as undrawn term loans of around Rs. 2,000 crore in EESL. While the company has consolidated capex plans of Rs. 1,000-1,500 crore and repayment obligations of over Rs. 70 crore in FY2027 against these sources of cash, these are expected to be funded from the aforementioned liquidity sources. The company's liquidity position is likely to remain strong over the medium term, supported by its strong operational profile.

Rating sensitivities

Positive factors – Not applicable

Negative factors – The company’s ratings can be downgraded in case of considerable weakening in its market position, resulting in sustained deterioration in operating profit margins and cash accruals. Also, significant cost or time overruns in the Li-ion project capex, a sustained delay in ramp-up of its operations, leading to significant weakening of debt metrics or liquidity position on a sustained basis, could result in a rating downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of EIL. Details of subsidiaries/associates are provided in Annexure-III.

About the company

Exide Industries Limited, incorporated in 1947, is a leading battery manufacturer in India. The company started operations as Associated Battery Makers (Eastern) Ltd., a subsidiary of Chloride Overseas, UK, which was acquired by the Rajan Raheja Group in 1993. In 1995, the company was renamed as Exide Industries Limited. In 1998, EIL took over the battery business of Standard Batteries Limited (SBL), the then second largest battery manufacturer in India, along with four of its factories and the “Standard Furukawa” brand. The promoter holds 45.99% stake in EIL as of March 31, 2026. As on date, EIL has the largest storage battery manufacturing capacity in India with geographically diversified manufacturing facilities. The company manufactures batteries for automotive, power, telecom, infrastructure projects, as well as the railways, mining and defence sectors. The company is present in Li-ion battery pack assembly, and is setting up a 12-GWh Li-ion cell manufacturing facility in Karnataka.

Key financial indicators (audited)

Consolidated	FY2025	FY2026
Operating income	17,270.1	17,995.4
PAT	800.0	859.4
OPBDIT/OI	10.7%	10.4%
PAT/OI	4.6%	4.8%
Total outside liabilities/Tangible net worth (times)	0.5	0.5
Total debt/OPBDIT (times)	1.1	0.8
Interest coverage (times)	11.5	15.1

Source: Company, ICRA Research; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios 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						
Instrument	Type	Amount rated (Rs. crore)	FY2026		FY2025		FY2024		
			Jun 11, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based Limits	Long-term	400.00	[ICRA]AAA (Stable)	Jun 27, 2025	[ICRA]AAA (Stable)	Jul 09, 2024 Jun 28, 2024	[ICRA]AAA (Stable)	Jun 26, 2023	[ICRA]AAA (Stable)
Non-fund-based Limits	Long-term	900.00	[ICRA]AAA (Stable)	Jun 27, 2025	[ICRA]AAA (Stable)	Jul 09, 2024 Jun 28, 2024	[ICRA]AAA (Stable)	Jun 26, 2023	[ICRA]AAA (Stable)
Unallocated Limits	Long-term	700.00	[ICRA]AAA (Stable)	Jun 27, 2025	[ICRA]AAA (Stable)	Jul 09, 2024 Jun 28, 2024	[ICRA]AAA (Stable)	Jun 26, 2023	[ICRA]AAA (Stable)
Commercial Paper Programme*	Short-term	50.00	[ICRA]A1+	Jun 27, 2025	[ICRA]A1+	Jul 09, 2024 Jun 28, 2024	[ICRA]A1+	Jun 26, 2023	[ICRA]A1+

*Yet to be placed

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10, 2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI

5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: 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 FSRs other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity indicator
Fund-based Limits	Simple
Non-fund-based Limits	Simple
Unallocated Limits	Not applicable
Commercial Paper Programme	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based Limits	NA	NA	NA	400.00	[ICRA]AAA (Stable)
NA	Non-fund-based Limits	NA	NA	NA	900.00	[ICRA]AAA (Stable)
NA	Unallocated Limits	NA	NA	NA	700.00	[ICRA]AAA (Stable)
NA	Commercial Paper Programme*	NA	NA	NA	50.00	[ICRA]A1+

Source: Company; * yet to placed

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Chloride Metals Limited	100%	Full Consolidation
Chloride International Limited	100%	Full Consolidation
Exide Energy Solutions Limited	100%	Full Consolidation
Chloride Batteries S.E. Asia Pte Limited	100%	Full Consolidation

Company Name	Ownership	Consolidation Approach
Espex Batteries Limited, UK	100%	Full Consolidation
Associated Battery Manufacturers (Ceylon) Limited	61.5%	Full Consolidation
CSE Solar Sunpark Maharashtra Private Limited	27.2%	Equity method
CSE Solar Sunpark TamilNadu Private Limited	27.2%	Equity method
Zillica Renewables Private Limited	26.2%	Equity method

Source: Annual report FY2025

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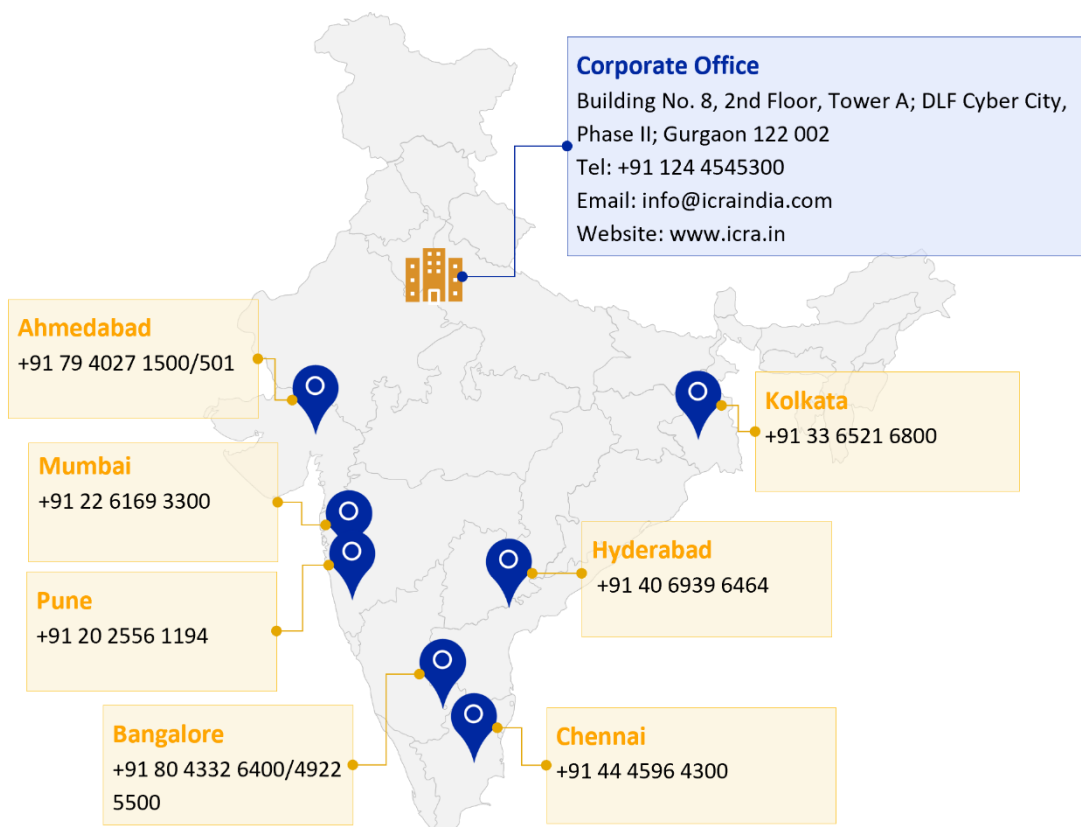


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