September 30, 2026

Endurance Technologies Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long Term / Short Term – Fund Based / Non Fund Based Limits	22.0	22.0	[ICRA]AA+ (Stable) / [ICRA]A1+; reaffirmed	RBI
Commercial Paper	100.0	100.0	[ICRA]A1+; reaffirmed	RBI
Total	**122.0**	**122.0**		

*Note: Amounts in Rs. Crore *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 reaffirmation continues to take into account Endurance Technologies Limited's (Endurance/the company) robust position as one of the largest Indian automotive component manufacturers with a strong clientele. The company's client base includes almost all major two-wheeler (2W) original equipment manufacturers (OEMs) as well as four-wheeler (4W) OEMs in the domestic market and reputed 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 has also been undertaking higher segmental diversification through aluminium forgings, driveshaft manufacturing, battery packs 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 FY2026 and Q1 FY2027 (at 26% and 30%, 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 supported the revenue profile for Europe operations in FY2026. While operating profit margin (OPM) remained steady at 13.5% in FY2026 (as compared to 13.4% in FY2025), it moderated to 12.4% in Q1 FY2027, largely on account of higher input costs (raw materials, fuel costs and other input costs arising from geopolitical disruptions, especially the West Asia conflict). Despite these headwinds, the company maintained healthy earnings growth through operational efficiencies and cost controls.

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 2026, which is expected to continue going forward. TD/OPBDITA at the consolidated level is expected to remain fairly comfortable, at <1.0 times in the near to medium term. Endurance's liquidity position remains strong, supported by cash and investments of Rs. 1,906 crore on the consolidated level and healthy quantum of undrawn bank lines, which stood at Rs. 655 crore (standalone entity) as of March 2026. 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 cyclicality of the

automotive industry, given Endurance's 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.

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. 14,596 crore at the consolidated level in FY2026. Its Indian operations generated 73% of its total revenues in FY2026 (74% in Q1 FY2027), 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 focused 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, driveshafts and electronics including BMS, battery packs and anti-lock braking systems (ABS), 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 focused 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 0.7 times at the consolidated level, as on March 31, 2026. Aided by stable business performance across key operational divisions, the company has posted steady consolidated revenue growth over the years, reflected in a healthy CAGR of 17% over the period FY2021-FY2026. 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 the past 3-4 years, 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 4-8% 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. 1,906 crore as on March 31, 2026, along with a healthy quantum of unutilised working capital limits (buffer of Rs. 600 crore in the form of undrawn working capital lines as of July 2026, with average working capital utilisation for the 12-month period ending July 2026 being limited, at 5%). 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 35% of consolidated revenues and 48% of standalone revenues in FY2026. 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 19% in FY2026. Moreover, Endurance's efforts to win new orders from customers other than BAL, along with new ventures such as driveshaft manufacturing, aluminium forgings and non-automotive castings are expected to help reduce the overall exposure towards these select key clients to a large extent.

Exposure to cyclicality 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 4-6% 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 cyclicality 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 cyclicality 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.

Liquidity: Strong

The company's liquidity profile is strong, supported by the sizeable cash and investments of Rs. 1,906 crore (consolidated) and buffer of Rs. 655 crore (standalone) in the form of undrawn bank lines as of March 2026. The working capital utilisation has historically remained limited for Endurance, thereby providing further comfort to its liquidity position. Its liquidity profile is further enhanced by the healthy cash generation of Rs. 1,200-1,500 crore per annum at a consolidated level. Against these, the company plans for a capex of Rs. 1,200-1,500 crore annually and has annual debt repayment obligations of Rs. 300-450 crore in FY2027-FY2028.

Rating sensitivities

Positive factors - The ratings could be upgraded 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 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 Technologies Limited (Endurance) is among the largest auto component companies in India, present across aluminum die cast components, suspension, transmission and braking components. The company was started as a captive supplier of components to Bajaj Auto Limited (BAL), and over the years the company has gained scale by diversifying into various other product segments and adding new clients. At present, Endurance is engaged in the manufacturing of die casting, braking, transmission, suspension systems and embedded electronics components for catering to the dominant OEMs in the 2W and 3W segments. Endurance has set up its own R&D setup (a 29-acre test track along with five R&D centres), 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. Endurance also has a strong aftermarket business with three company-run distribution centres and over 540 distributors in India and overseas.

Outside India, the company has grown via acquisitions in the castings business primarily in European markets. Endurance enjoys a strong relationship with the Fiat Chrysler Automotive (FCA) Group (Stellantis) and Volkswagen Group, which collectively account for the bulk (45%+) of its European revenues. In Europe, Endurance manufactures components used in the engine and transmission and supplies them in fully machined form to its customers – primarily in the passenger vehicle (PV) segment. The Group has also set up two technical centres in Italy.

The two-wheeler (2W) business remains a key revenue contributor. India business contributes 70-75% of consolidated revenues, wherein 80-85% of India business is from 2W, and the rest from three-wheelers (3W), passenger vehicles (PV) and commercial vehicles (CV). BAL remains the main customer for the company accounting for 35% of consolidated revenues in FY2026 (36% in Q1 FY2027). In the past few years, the company has also strengthened its relationship with other major OEMs and the same is reflected in reduced reliance on revenues from BAL.

Key financial indicators (audited)

Endurance (Consolidated)	FY2025	FY2026
Operating income	11,560.8	14,595.9
PAT	836.4	951.7
OPBDITA/OI	13.4%	13.5%
PAT/OI	7.2%	6.5%
Total outside liabilities/Tangible net worth (times)	0.6	0.7
Total debt/OPBDITA (times)	0.6	0.7
Interest coverage (times)	33.1	34.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore
PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current (FY2027)		Chronology of rating history for the past 3 years					
		FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	Sep 30, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based / Non fund based limits	Long-term / Short-term	22.0	[ICRA]AA+ (Stable)/ [ICRA]A1+	30-Sep-25	[ICRA]AA+ (Stable)/ [ICRA]A1+	24-Sep-24	[ICRA]AA+ (Stable)/ [ICRA]A1+	27-Sep-23	[ICRA]AA+ (Stable)/ [ICRA]A1+
Commercial Paper	Short-term	100.0	[ICRA]A1+	30-Sep-25	[ICRA]A1+	24-Sep-24	[ICRA]A1+	27-Sep-23	[ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term / Short term, Fund based / Non fund based limits	Simple
Commercial Paper	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 / Short term, Fund based / Non fund based limits**	NA	NA	NA	22.0	[ICRA]AA+ (Stable) / [ICRA]A1+; reaffirmed	RBI
NA*	**Commercial Paper**	NA	NA	NA	100.0	[ICRA]A1+; reaffirmed	RBI

*Source: Company; *Not yet placed*

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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	Endurance Ownership	Consolidation Approach
Endurance GmbH, Germany	100.00%	Full Consolidation
Endurance Overseas SpA, Italy	100.00%	Full Consolidation
Endurance SpA, Italy	100.00%	Full Consolidation
Endurance Two Wheelers SpA, Italy	100.00%	Full Consolidation
GDS Sarl, Tunisia	100.00%	Full Consolidation
Ingenia Automation Srl, Italy	100.00%	Full Consolidation
Stöferle GmbH, Germany	100.00%	Full Consolidation
Stoferle Automotive GmbH, Germany	100.00%	Full Consolidation
Maxwell Energy Systems Private Limited, India	100.00%	Full Consolidation

Source: Company

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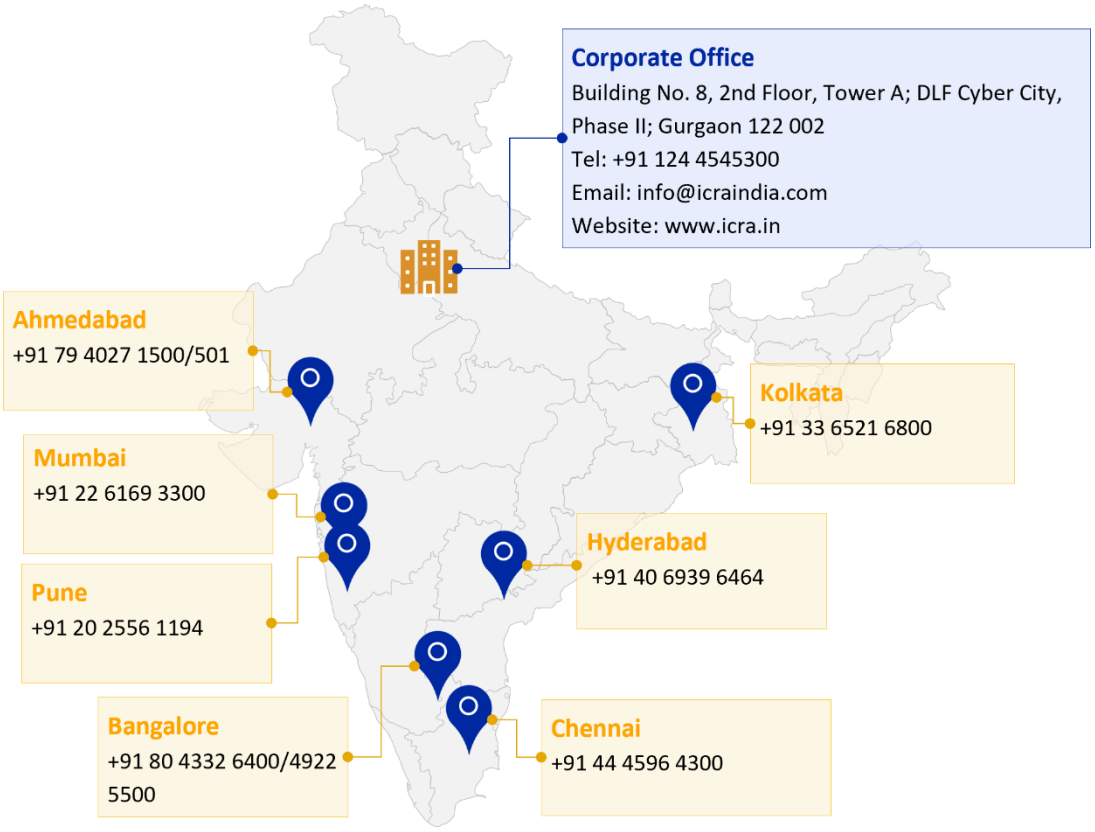
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