**September 03, 2014**

## CARE REVISES THE RATINGS ASSIGNED TO THE BANK FACILITIES OF ENDURANCE TECHNOLOGY PRIVATE LTD

**Ratings**

| Facilities | Amount (Rs. crore) | Ratings[1] | Remarks |
|---|---|---|---|
| Long term Bank Facilities | 306 | CARE A+ (Single A Plus) | Revised from CARE A- (Single A Minus) |
| Short term Bank Facilities | 505 | CARE A1 (A One) | Revised from CARE A2+ (A Two Plus) |
| **Total** | **811** | | |

**Rating Rationale**

*The revision in ratings takes into consideration the steady improvement in the operating performance of Endurance Technologies Private Limited (ETPL), despite the sluggish growth in the automotive industry, which has led to significant improvement in financial risk profile of ETPL marked by decline in financial leverage and improvement in debt protection matrices. The ratings continue to derive strength from the established track record of the promoters in the automotive industry, relatively large scale of operations backed by geographically disperse manufacturing facilities, strong business association with key Original Equipment Manufacturers (OEMs) especially Bajaj Auto Ltd (BAL) and profitable and self-sustainable operations of foreign subsidiaries.*

*The above rating strengths are partially tempered by the sluggish growth witnessed by the auto industry in India in the past few years and exposure to cyclicality associated with the auto industry, relatively underperformance of its key customer BAL in terms of volume growth though the same has been neutralized to an extent by additional volumes from new OEM clients. The ratings also continue to take cognizance of the modest liquidity profile of ETPL with significant repayments scheduled for FY15.*

*Any significant debt funded expansion remains the key rating sensitivity.*

**Background**

Endurance Technologies Private Ltd. (ETPL) was established in 1985 as Anurang Engineering Co. Pvt. Ltd. to manufacture aluminum die casting products at Aurangabad, Maharashtra. The company was promoted by Mr. Naresh Chandra and Mr. Anurang Jain. At present ETPL is engaged in the manufacturing of die casting, braking, transmission and suspension system for catering to the dominant OEMs in the two and three wheelers segments. ETPL is having its own R&D setup duly approved by Department of Scientific & Industrial Research (DSIR) for each above stated segment helping company to offer optimized products. Bajaj Auto Limited (BAL) remains the main customer for the company. In past few years the company has also strengthened its relationship with other major OEMs and same is reflected in reduced reliance on revenue from BAL. ETPL's promoters have been engaged in this business for almost 28 years and have in-depth knowledge of industry.

During FY14, on a consolidated basis, ETPL reported a Profit After Tax (PAT) of Rs.207 crore on a total operating income of Rs.4,225 crore as against a PAT of Rs.171 crore on a total operating income of Rs.3,834 crore during FY13.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications*

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*CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

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