Press Release

April 22, 2013

CARE REVISES THE RATINGS ON THE BANK FACILITIES OF ENDURANCE TECHNOLOGIES PVT. LTD

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Long-term Bank Facilities	441.93 (reduced from 548.47)	**CARE BBB [Triple B]**	Revised from CARE BBB-
Short-term Bank Facilities	563.25 (enhanced from 517.15)	**CARE A3+ [A Three Plus]**	Revised from CARE A3
Total Facilities	**1005.18**		

Rating Rationale

The revision in the ratings assigned to the bank facilities of Endurance Technologies Private Limited (ETPL) is driven by consistent improvement in the operating performance marked by an increase in the operating income at compounded annual growth rate (CAGR) of 26.5% over past two years ended FY12 (refers to the period April 1 to March 31), turnaround in the operating performance of ETPL's key subsidiaries, strong profitability margins and resultant improvement in debt protection measures.

The ratings continue to factor in ETPL's established track record in the auto ancillary business with its experienced promoters and management and the company's long-standing relationship with Bajaj Auto Ltd (BAL), one of its major customers.

The above rating strengths are tempered by ETPL's high financial leverage and exposure to the cyclical auto industry.

The ability of ETPL to improve its capital structure amidst the debt-funded capex program and diversification in its customer base are the key rating sensitivities.

Background

Incorporated in December 1999, ETPL is promoted by Mr. Anurang Jain and is engaged in the manufacturing of auto-ancillaries, primarily aluminum die-casting and shock absorbers. ETPL is one of the largest aluminum casting manufacturer in India. ETPL's promoters have been engaged in this business for over the two decades. ETPL was formed to cater to auto- ancillaries principally to BAL. The day-to-day business functions at ETPL are managed by Mr. Anurang Jain as the Managing Director.

During FY12, on a consolidated basis, ETPL reported a Profit After Tax (PAT) of Rs.179.32 crore on a total operating income of Rs.3838.00 crore as against a PAT of Rs.128.09 crore on a total operating income of Rs.3183.81 crore during FY11.

During 9MFY13 (refers to the period April 1 to December 31), on a consolidated and provisional basis, ETPL reported a PAT of Rs.123.25 crore on a total operating income of Rs.2,839.06 crore as against a PAT of Rs.115.24 crore on a total operating income of Rs.2,804.85 crore during 9MFY12.

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

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