

December 15, 2025

Fritzmeier Motherson Cabin Engineering Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Term loan	3.88	3.88	[ICRA]AA- (Stable); reaffirmed
Long-term – Fund-based – Cash credit	15.00	15.00	[ICRA]AA- (Stable); reaffirmed
Short-term – Interchangeable limits	(6.00)	(6.00)	[ICRA]A1+; reaffirmed
Total	18.88	18.88	

*Instrument details are provided in Annexure-I

Rationale

The ratings reaffirmation for the bank facilities of Fritzmeier Motherson Cabin Engineering Private Limited (FMCEPL) continues to factor in the access to operational and financial support available to the entity from its parent entity, Samvardhana Motherson International Limited (SAMIL), and the benefits it receives on account of its association with the Samvardhana Motherson Group. It became a wholly owned subsidiary of SAMIL w.e.f. March 31, 2023, post acquisition of the remaining stake from Fritzmeier Holding GmbH (Fritzmeier; a part of the Fritzmeier Group, Germany). Aided by the support from its parent entities, the company has been able to develop technologically superior cabins with enhanced safety features, which supported the share of business with its customers, especially in terms of tightening safety and regulatory norms in India. Additionally, Fritzmeier's association with major global mining and construction equipment (MCE) original equipment manufacturers (OEMs) also supported FMCEPL in gaining business from the former's Indian subsidiaries. Supported by its strong relationships and technological capabilities, the company is expected to continue generating steady cash accruals, which are likely to help maintain its credit profile.

ICRA notes that FMCEPL is expanding its capacity by setting up a new plant in Pune, Maharashtra, and has been actively involved in improving its business prospects and the scope of supplies for its existing products by introducing additional fabricated components. While revenues witnessed a marginal decline in FY2025 due to weak demand in certain end-user markets, operating profitability moderated slightly, with operating profit margin (OPM) at 11.6% in FY2025, owing to higher raw material and employee costs as a proportion of revenue. Going forward, the company has a healthy order pipeline, aided by business wins from several key customers, which is expected to help it gradually increase its scale of operations and generate healthy cash flows.

ICRA notes that the company plans to entail capital expenditure (capex) of Rs. 35-40 crore at its Pune plant, spread over the next two years. It has received an inter-corporate loan from a group entity to help fund the capex in the interim. Despite the expected increase in external debt to help fund the capex as well as lease liabilities associated with the new plant, the company's leverage and debt coverage metrics are expected to remain comfortable. However, a significant deterioration in profitability or a larger-than-expected debt-funded capex could impact its credit metrics and would continue to be a key monitorable.

The ratings remain constrained by FMCEPL's modest scale of operations, with revenues of approximately Rs. 179.1 crore in FY2025. Besides, its operations are limited to a niche product category, viz. supply of cabins for MCE and tractor industries.

The Stable outlook on the long-term rating reflects ICRA's opinion that despite material capex plans in the near term, the company is likely to maintain a comfortable financial risk profile, going forward, aided by healthy cash flow generation and support from the parent entity.

Key rating drivers and their description

Credit strengths

Strong parentage provides operational and financial support; Fritzmeier Holding GmbH continues to provide technical know-how – FMCEPL’s association with the Samvardhana Motherson Group provides it with ample financial flexibility and operational support in the domestic market. Going forward, the strong parentage of the company is likely to continue to aid its business prospects, which provides comfort. It also benefits from its association with the Fritzmeier Group, which provides technological expertise, design and development capabilities as well as access to a global customer base of OEMs. Accordingly, FMCEPL’s cabins are technologically superior to comparable products available in the domestic market and meet a high level of international safety requirements such as roll-over protective structures (ROPS) and fall-over protective structures (FOPS).

Established customer relationships supported by collaboration with Fritzmeier, along with proven design and development capabilities – The erstwhile parentage of Fritzmeier helped the company design technologically superior cabins that are comparable with global standards, which augurs well for its business development with global OEMs. FMCEPL has a diversified customer base and has developed strong relationships over the years with its customers, which are large, established players in the global MCE and agricultural equipment industries, such as Caterpillar India Pvt. Ltd., Komatsu India Pvt. Ltd., Mahindra and Mahindra Limited and John Deere. The customer concentration risks remain moderate for the company, given its limited dependence on each OEM (the largest customer accounted for approx. 23% of revenues in FY2025). FMCEPL’s share of business with its customers continues to be largely protected because of established relationships with each of these OEMs and its proven design and development capabilities.

Diversified business profile across MCE and tractor industries – Through its presence across the MCE and tractor industries, FMCEPL’s revenue profile is relatively diversified. The company generates around 70% of its business from the MCE segment, while the remainder comes from tractor OEMs. Additionally, it supplies to various product segments within the MCE industry, which find usage across multiple applications, including dump trucks, excavators and backhoe loaders. Besides, a healthy proportion of its supplies to the domestic clientele is earmarked for exports to markets such as Europe, North America and Southeast Asia, which offers further diversification to revenue streams and protects it from demand downturns in the domestic MCE and tractor markets. Overall, FMCEPL’s revenues remain well diversified despite operating in highly cyclical industries.

Healthy business pipeline likely to support revenue growth over the medium term – The company is actively engaged in pursuing new businesses with its existing customers as well as in expanding its customer base. Besides expanding its scope of supplies with existing customers to include new models and products, FMCEPL has expanded its customer portfolio to include multiple new OEMs, such as Wirtgen group, Tata Hitachi, Preet Tractors, Doosan Bobcat and Schwing Stetter, over the past few years. Going forward, the company has a healthy business pipeline, supported by business wins from several customers, which are likely to continue to support its revenue growth prospects.

Credit challenges

Modest scale of operations because of presence in a niche product category – FMCEPL is a relatively smaller player in the domestic auto-ancillary space, with revenues of approx. Rs. 179 crore in FY2025. This is primarily because its scope of operations is limited to a niche product category, viz. supply of cabins to the high-end Construction Equipment and agricultural equipment segments. Nevertheless, the company witnessed a steady operating income over the last three years, aided by healthy traction from its key customers: M&M, Caterpillar India, John Deere and Komatsu India.

High working capital intensity owing to requirement of minimum order quantity for imported raw materials – The company maintains imported raw material stock for a few months because of high import content and minimum order quantity requirements for such components, which leads to an increase in the working capital intensity of operations. Nevertheless, the rising share of sales from customers which seek 30-day credit vis-à-vis those which need 45-50 days led to a reduction in debtor days over the last few fiscal years. Additionally, the scale of operations has also helped in stabilising the inventory

holding period. Going forward, NWC/OI (%) is expected to remain moderate at 19-20%, aided by the company’s efforts to better manage its working capital requirements and improvement in sales.

Liquidity position: Adequate

FMCEPL’s liquidity position remains Adequate, supported by expected cash flow from operations of Rs. 12.8 crore in FY2026 and availability of unutilised working capital limits (average buffer of Rs. 6.9 crore out of the sanctioned limit of Rs. 20 crore during the 15-month period ending in October 2025). In addition, the company has received an inter-corporate deposit (ICD) of approx. Rs. 10 crore from group entities for interim funding of the capex plans. It has debt repayments of approximately Rs. 13.2 crore (including ICDs of Rs. 10 crore) and capex plans of Rs. 20-22 crore in FY2026, which are expected to be primarily met from internal accruals, available lines of credit and loans from group entities, if required.

Rating sensitivities

Positive factors – ICRA could upgrade FMCEPL’s long-term rating in case of a sustained increase in operations, supported by increasing share of business with key OEMs, while maintaining comfortable debt coverage indicators and liquidity position.

Negative factors – ICRA could downgrade FMCEPL’s ratings in case of its inability to scale up operations over the medium term, resulting in a deterioration in profitability and credit metrics on a sustained basis. The ratings could also be downgraded in case of deterioration in the parent’s (SAMIL) credit profile or weakening of linkages with the parent entity.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Parent Company: Samvardhana Motherson International Limited (SAMIL) ICRA expects the parent company to be willing to extend financial support to FMCEPL, should there be a need, given the strategic importance that the company holds for it. FMCEPL also shares a common name with SAMIL, which in ICRA’s opinion would persuade the parent company to provide financial support to FMCEPL to protect its reputation from the consequences of a group entity’s distress.
Consolidation/Standalone	The rating is based on the standalone financial profile of the company.

About the company

Incorporated in 2007, Fritzmeier Motherson Cabin Engineering Private Limited (FMCEPL) is a leading manufacturer of operator cabins for off-highway vehicles like heavy-duty dump trucks, excavators, backhoe loaders, wheel loaders and agricultural tractor cabins. Its cabins meet high-level international safety requirements like ROPS and FOPS. The company caters to established OEMs in the CE and agricultural equipment space such as Caterpillar, Komatsu, Kobelco, John Deere, Escorts and Mahindra & Mahindra, both for their domestic as well as export requirements. Its facility at Kancheepuram (near Chennai) has an installed production capacity of around 22,000 cabins per year, and the Pune plant has production capacity of around 12,000 cabins per year.

FMCEPL was set up as a 50:50 joint venture between Fritzmeier Holding GmbH (a Fritzmeier Group company) and Samvardhana Motherson International Limited (SAMIL, a Motherson Group company, now merged with MSSL). In FY2023, SAMIL acquired the remaining 50% stake of FMCEPL from Fritzmeier Holding GmbH. The company’s board has equal representation from both the Fritzmeier Group and the Motherson Group, with founding members of both the Groups on the board.

Key financial indicators (audited)

FMCEPL (standalone)	FY2024	FY2025
Operating income	185.3	179.1
PAT	13.5	9.5
OPBDIT/OI	13.6%	11.6%
PAT/OI	7.3%	5.3%
Total outside liabilities/Tangible net worth (times)	0.3	1.1
Total debt/OPBDIT (times)	0.2	3.9
Interest coverage (times)	10.1	10.6

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: 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	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Dec 15, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Long term-cash credit-fund based	Long term	15.00	[ICRA]AA-(Stable)	Sep 27, 2024	[ICRA]AA-(Stable)	Jun 15, 2023	[ICRA]A+ (Stable)	-	-
Short term-others-interchangeable	Short term	(6.00)	[ICRA]A1+	Sep 27, 2024	[ICRA]A1+	Jun 15, 2023	[ICRA]A1	-	-
Long term-term loan-fund based	Long term	3.88	[ICRA]AA-(Stable)	Sep 27, 2024	[ICRA]AA-(Stable)	Jun 15, 2023	[ICRA]A+ (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Term Loan	Simple
Long-term fund-based – Cash Credit	Simple
Short-term – Interchangeable Limits	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
NA	Term Loan	Nov 2019	NA	Nov 2026	3.88	[ICRA]AA- (Stable)
NA	Cash Credit	NA	NA	NA	15.00	[ICRA]AA- (Stable)
NA	Interchangeable Limits	NA	NA	NA	(6.00)	[ICRA]A1+

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not applicable

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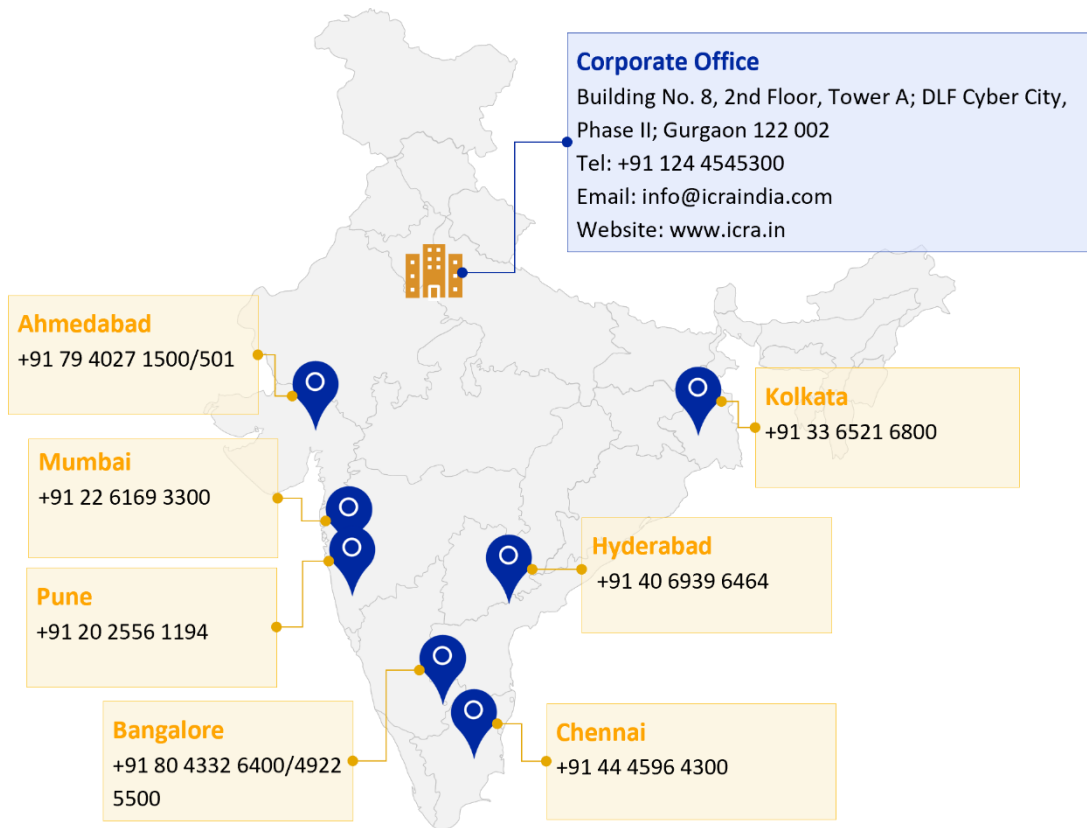
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