

October 13, 2025

SAME Deutz-Fahr India 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 facilities	75.00	75.00	[ICRA]A+ (Stable); reaffirmed
Short-term fund-based facilities interchangeable (sub limits) #	(75.00)	(75.00)	[ICRA]A1; reaffirmed
Short-term non-fund based – Sublimit (interchangeable) #	(50.00)	(50.00)	[ICRA]A1; reaffirmed
Total	75.00	75.00	

*Instrument details are provided in Annexure-I; # - combined utilisation capped at Rs. 75.00 crore

Rationale

The reaffirmation of the ratings for the bank lines of SAME Deutz-Fahr India Private Limited (SDF India/the company) factors in ICRA's expectations of a sustained financial performance in the near to medium term, supported by its operational and financial flexibility from being a part of the larger SAME Deutz- Fahr Group (SDF Group/parent), healthy debt metrics and adequate liquidity. SDF India is a critical low-cost sourcing hub for the Europe-based SDF Group, which is among the larger global agri-equipment players, with revenues of over Euro 1,600 million in CY2024. Also, SDF India derives technology support from the parent, and its operations are closely integrated with that of the latter.

SDF India reported a moderate growth of 5.1% in the operating income for FY2025 compared to Rs. 1,508.5 crore in FY2024 aided by growth in tractor sales volumes, while operating profit margins remained stable at 9.6%. SDF India's capital structure and coverage metrics have remained healthy over the last several years, aided by the healthy accruals, modest capex and low debt funding (net debt/OPBDITA of -0.2 times in FY2025). Further, the company has adequate liquidity with cash and bank balances of Rs. 87.4 crore and undrawn working capital lines of over Rs. 200.0 crore as on March 31, 2025. With no major debt-funded capex going forward, ICRA expects the company's net debt levels and coverage metrics to remain comfortable over the medium term, although quantum of dividend payouts (Rs. 93.0 crore in FY2025) relative to the cash flow generation would be a monitorable factor.

The ratings, however, continue to be constrained because of high working capital intensity and operations largely concentrated towards the European market. The company provides a higher credit period to the Group companies, although the complete transition to the cash-and-carry model in the domestic market has supported the working capital intensity to some extent. The concentration on exports (given that over 80-90% of revenues are derived from the parent group) exposes SAME India to region-specific demand risks and the ongoing macroeconomic volatilities. Nevertheless, its criticality as a low-cost sourcing hub to the parent and expected increase in sourcing of components (including engines/transmission) by the parent, partly arising from new product launches and higher penetration in non-European markets, mitigate the risks to an extent.

The Stable outlook on the long-term rating factors in ICRA's expectation that the company will be able to sustain its credit profile, supported by its steady cash accruals and debt metrics, adequate liquidity position and moderate capex and continued operational and financial flexibility by being part of the larger SDF Group.

Key rating drivers and their description

Credit strengths

Financial and operational flexibilities from being a part of the larger SDF Group - SDF India is a key company for the Europe-based SDF Group, which is among the larger global agri-equipment players, with revenues of more than Euro 1,600 million (over Rs. 14,800 crore) in CY2024. SDF India derives technological support from the parent and uses the Deutz-Fahr brand in the domestic market. SAME Deutz-Fahr Italia SpA, Italia holds a 41.67% stake in the company and the ultimate holding company of the Group, SDF SpA, Italia holds a 58.33% stake.

Integrated operations with the parent group - SDF India's operations are closely integrated with that of its parent, as the global sourcing of the SDF Group's sub-110HP engines and several ranges of tractors is being exported from India since 2008. Being a critical low-cost sourcing hub for the Group, SDF India is expected to secure additional business for manufacturing and supply of additional components for the Group, to support its overall economics. The company derived over 90% of its sales from the parent group in FY2025.

Strong capital structure and coverage metrics - SDF India's capital structure and coverage metrics have remained healthy over the last several years, aided by the healthy accruals, modest capex and low debt funding (net debt/OPBDITA of -0.2 times in FY2025). Further, the company has adequate liquidity with cash and bank balances of Rs. 87.5 crore and undrawn working capital lines of over Rs. 200.0 crore as on March 31, 2025. With no major debt-funded capex going forward, ICRA expects the company's net debt levels and coverage metrics to remain comfortable over the medium term, although quantum of dividend payouts (Rs. 93.0 crore in FY2025) relative to the cash flow generation would be a monitorable factor.

Credit challenges

High working capital intensity - SDF India maintains 70-90 days of inventory to mitigate supply-chain risks. Also, it has relatively higher receivables from Group companies for its supplies. The same has resulted in relatively higher working capital intensity for the company. However, no further material elongation in receivable days pertaining to group debtors is envisaged going forward. Also, the company operates on a cash-and-carry model in the domestic market, which is expected to support liquidity to an extent.

Relatively higher customer and geographic concentration - The company derived over 90% of its FY2025 revenues from exports to the Group companies in Europe, predominantly to Italy (over 50% of revenues) and Turkey (40% of the revenues). The concentration on the European market exposes SDF India to region-specific demand risks. Nevertheless, its criticality as a low-cost sourcing hub to the parent mitigates the risks to an extent. Further, tractors / engines / components sourced from SDF India are ultimately exported to end markets other than Europe including various developing/emerging markets, mitigating risks arising from geographic concentration to an extent.

Financing tie-ups and dealership network a challenge in the domestic market - Strong dealership network and tie-ups with financial institutions (given that a major portion of the tractor sales are financed through debt) are critical for deeper inroads into the Indian tractor market. The company's network is largely concentrated in select states and accordingly, its market share in the domestic market was marginal, at 1-2% in FY2025.

Liquidity position: Adequate

SDF India's liquidity is expected to remain adequate, aided by its healthy anticipated cash accruals, cash and bank balances of Rs. 87.4 crore, and undrawn working capital lines of over Rs. 200.0 crore as on March 31, 2025. The company's average working capital utilisation for the 12-month period ended in June 2024 stood at 26% of sanctioned limits. In relation to these sources of cash, SDF India has moderate capex commitments over the medium term, to be funded through internal accruals. Also, SDF India does not have long-term debt repayment obligations owing to absence of term debt on its books. Overall, ICRA expects SDF India to be able to meet its medium-term commitments through internal sources of cash and yet be left with cash/liquid investments surplus, despite some expectations of annual dividend payouts.

Rating sensitivities

Positive factors – ICRA could upgrade SDF India’s ratings, if the company is able to demonstrate an improvement in its scale of operations and profitability, along with material improvement in its receivables position on a sustained basis.

Negative factors – Pressure on SDF India’s ratings could emerge from material weakening of its revenues or profitability, or in case of an increase in working capital intensity on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Tractors
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company’s standalone financials.

About the company

SAME-Deutz Fahr India Private Limited (SDF India) is part of the Europe-based SAME Deutz-Fahr Group (SDF Group), which is among the larger global agri-equipment players. The company derived over 90% of its FY2025 revenues from exports to the Group companies in Europe, predominantly to Italy (over 50% of revenues) and Turkey (40% of the revenues). In terms of products, the company sells tractors, engines and components to its parent and Group companies, while sales are restricted to tractors and spares in the domestic market. SAME Deutz-Fahr Italia SpA, Italia holds a 41.67% stake in the company and the ultimate holding company of the Group, SDF SpA, Italia holds a 58.33% stake. The company has one assembly plant in Ranipet, Tamil Nadu.

Key financial indicators (Audited)

Standalone	FY2024	FY2025
Operating income	1,508.5	1,586.1
PAT	100.4	101.1
OPBDIT/OI	9.7%	9.6%
PAT/OI	6.7%	6.4%
Total outside liabilities/Tangible net worth (times)	0.4	0.5
Total debt/OPBDIT (times)	0.4	0.4
Interest coverage (times)	26.8	27.6

Source: Company, ICRA Research; Note: Amount in Rs. crore; PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios in the report 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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	October 13, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Long-term	75.00	[ICRA]A+ (Stable)	Aug 30, 2024	[ICRA]A+ (Stable)	May 26, 2023	[ICRA]A+ (Stable)	-	-
Interchangeable-Letter of Credit	Short-term	(50.00)	[ICRA]A1	Aug 30, 2024	[ICRA]A1	May 26, 2023	[ICRA]A1	-	-
Interchangeable-Others	Short-term	(75.00)	[ICRA]A1	Aug 30, 2024	[ICRA]A1	May 26, 2023	[ICRA]A1	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term-Fund Based-Cash Credit	Simple
Short Term-Interchangeable-Others	Very Simple
Short Term-Interchangeable-Letter of Credit	Very 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	Long-term – cash credit - fund-based facilities	NA	NA	NA	75.00	[ICRA]A+ (Stable)
NA	Short-term fund-based facilities interchangeable #	NA	NA	NA	(75.00)	[ICRA]A1
NA	Short-term non fund based Interchangeable #	NA	NA	NA	(50.00)	[ICRA]A1

Source: Company; # - combined utilisation capped at Rs. 75.00 crore

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

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

ANALYST CONTACTS

Jitin Makkar
0124-4545368
jitinm@icraindia.com

Srikumar Krishnamurthy
044-45964318
ksrikumar@icraindia.com

Sruthi Thomas
080-4332 6430
sruthi.thomas2@icraindia.com

Swaminathan S
+91 44 4596 4316
swaminathan.s@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

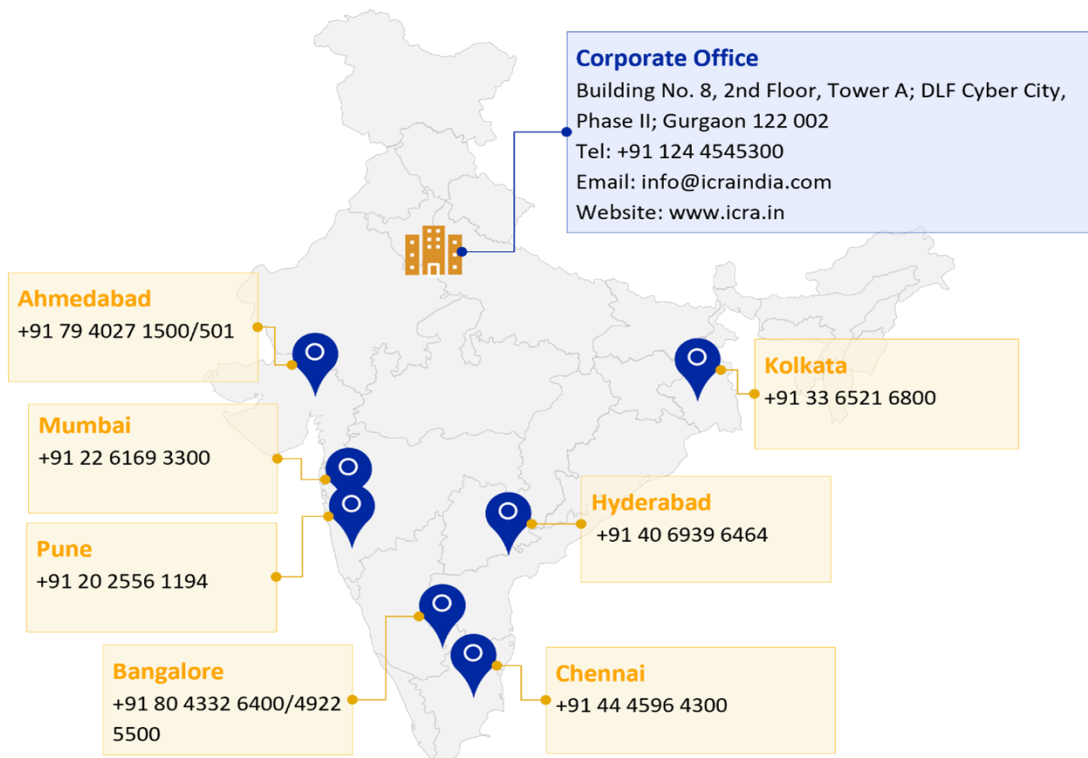


Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.