

September 23, 2025

Sundaram Brake Linings Limited: Update on entity

Summary of rating(s) outstanding

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term fund based – Cash credit	85.00	85.00	[ICRA]BBB+(Stable)
Long term fund based - Term loan	25.00	25.00	[ICRA]BBB+(Stable)
Short-term non-fund based	4.07	4.07	[ICRA]A2
Short-term fund based sublimit	(65.00)	(65.00)	[ICRA]A2
Short-term non-fund based-sublimit	(1.50)	(1.50)	[ICRA]A2
Total	114.07	114.07	

*Instrument details are provided in Annexure-I

Rationale

Indian exporters have been navigating a turbulent trade environment, with recent tariff hikes by the United States (US) threatening to reshape long-standing business dynamics. The latest round of tariff imposition by the US, effective August 27, 2025, has added a punitive 25% duty on select Indian goods, pushing the effective tariff burden to nearly 60-70% in some categories when combined with pre-existing levies. This escalation places Indian exporters at a disadvantage compared to competitors in East and Southeast Asia, which face lower tariff rates.

ICRA notes that Sundaram Brake Linings Limited's (SBLL) business is susceptible to the changes in the trade environment. SBLL has a diversified revenue mix across domestic and export markets, however, it derives close to 25% of its revenues from the US market. Thus, the recent increase in tariffs presents a near-term challenge. According to management discussions, SBLL has been actively engaging with its customers to pass on or share the increased tariff costs.

While SBLL might be required to share some part of the additional tariffs with its customers, the impact is expected to be mitigated to a large extent by the company's established market position in the friction material industry, its comfortable capital structure, and the financial flexibility derived from being a part of the K Mahesh Group of the erstwhile TVS group, which collectively support its ability to navigate external headwinds. Additionally, the long lead time associated with product development and validation in the automotive industry, and safety-critical nature of products supplied by the company, reduce substitution risks and protect its business to a large extent from any temporary disruption from the imposed tariffs. ICRA also notes that the company has sufficient liquidity in the form of unutilised lines of credit (Rs. 54 crore working capital lines and additional undrawn term loan of Rs. 10 crore) to weather any temporary impact on earnings or increased working capital requirements till the tariff situation stabilises.

ICRA will continue to monitor the developments on this front and to assess the impact of US tariffs on the business and credit profile of the company.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position and Rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating methodology for Auto components
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

About the company

Sundaram Brake Linings Limited (SBLL) primarily manufactures asbestos-free friction materials such as brake linings, disc pads and clutch facings for the automobile industry. It also manufactures tractor linings and friction materials for industrial applications, and trades in rivets. SBLL caters to three broad segments: a) tier-I suppliers of automobile OEMs, b) aftermarkets — replacement, state transport units (STUs) and branded spares, and c) exports to over 60 countries. The company has four operational manufacturing facilities in Padi, Madurai (two plants) and Chengalpattu in Tamil Nadu. As on June 30, 2025, the promoters held a 63.9% stake in the company. SBLL is a part of the K Mahesh Group of the erstwhile TVS group. The company is managed by Mr. Krishna Mahesh, a fourth generation TVS family member.

Key financial indicators

	FY2024	FY2025
Operating income	361.5	354.7
PAT	10.1	5.2
OPBDIT/OI (%)	6.0%	4.8%
PAT/OI (%)	2.8%	1.5%
Total outside liabilities/Tangible net worth (times)	1.2	1.3
Total debt/OPBDIT (times)	2.0	3.3
Interest coverage (times)	5.3	3.3

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)					Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	September 23, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based- Cash Credit	Long Term	85.00	[ICRA]BBB+ (Stable)	Apr 07, 2025	[ICRA]B BB+ (Stable)	Apr 26, 2024	[ICRA]B BB+ (Stable)	Mar 31, 2024	[ICRA]B BB+ (Stable)	Jul 04, 2022	[ICRA] BBB+ (Stable)
				-	-	-	-	-	-	Mar 02, 2023	[ICRA] BBB+ (Stable)
Fund Based- Term Loan	Long Term	25.00	[ICRA]BBB+ (Stable)	Apr 07, 2025	[ICRA]B BB+ (Stable)	Apr 26, 2024	[ICRA]B BB+ (Stable)	Mar 31, 2024	[ICRA]B BB+ (Stable)	Mar 02, 2023	[ICRA] BBB+ (Stable)
Interchangea- ble-Others	Short Term	(66.50)	[ICRA]A2	Apr 07, 2025	[ICRA]A 2	Apr 26, 2024	[ICRA]A 2	Mar 31, 2024	[ICRA]A 2	Jul 04, 2022	[ICRA] A2
				-	-	-	-	-	-	Mar 02, 2023	[ICRA] A2
Non Fund Based-Others	Short Term	4.07	[ICRA]A2	Apr 07, 2025	[ICRA]A 2	Apr 26, 2024	[ICRA]A 2	Mar 31, 2024	[ICRA]A 2	Jul 04, 2022	[ICRA] A2
				-	-	-	-	-	-	Mar 02, 2023	[ICRA] A2

Complexity level of the rated instruments

Instrument	Complexity Indicator
Cash Credit	Simple
Term loans	Simple
LC/CEL	Very Simple
Working capital facilities –Sublimit	Simple
Bank Guarantee –Sublimit	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	Cash Credit	NA	9.45%	NA	85.00	[ICRA]BBB+ (Stable)
NA	Term loan – I	FY2023	9.04%	FY2028	10.00	[ICRA]BBB+ (Stable)
NA	Term loan – II	FY2024	9.10%	FY2031	15.00	[ICRA]BBB+ (Stable)
NA	LC/CEL	NA	NA	NA	4.07	[ICRA]A2
NA	Working capital facilities –Sublimit	NA	NA	NA	(65.00)	[ICRA]A2
NA	Bank Guarantee –Sublimit	NA	NA	NA	(1.50)	[ICRA]A2

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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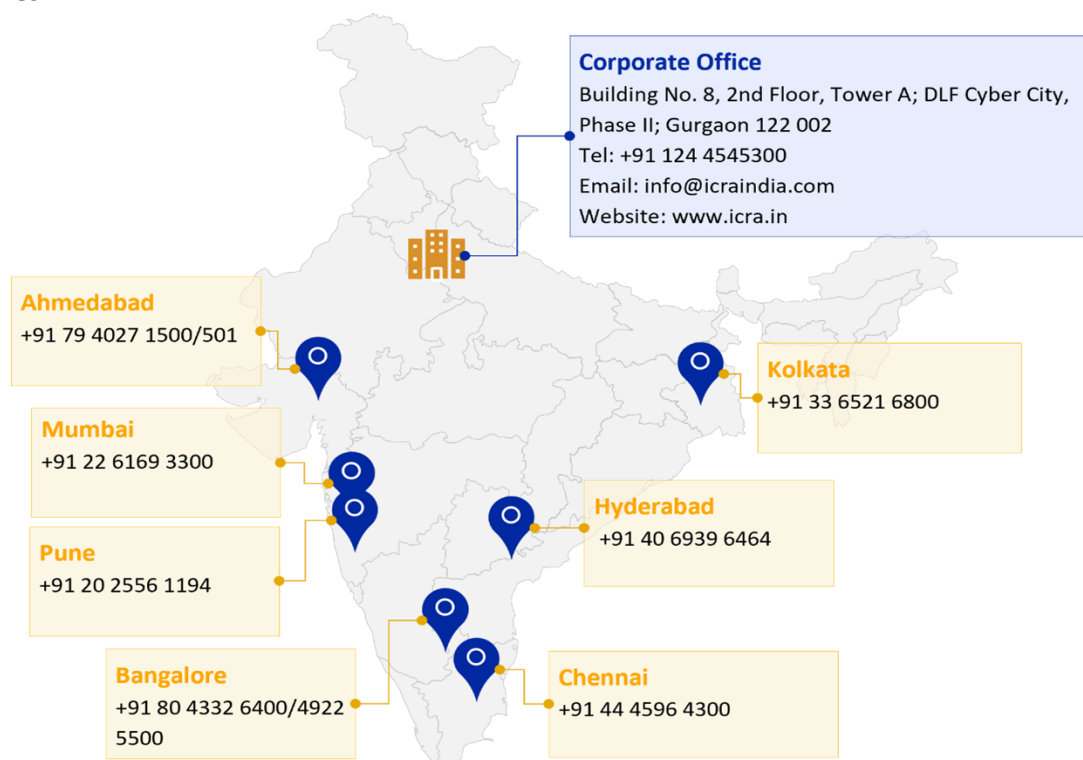
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