

April 28, 2026

## Superfil Products Private Limited: Ratings reaffirmed; rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash Credit	24.00	29.00	[ICRA]BBB+ (Stable) reaffirmed and assigned for enhanced amount
Long-term – Fund-based – Term Loan	13.20	22.55	[ICRA]BBB+ (Stable); reaffirmed and assigned for enhanced amount
Short-term – Non-fund Based – LC	29.00	44.00	[ICRA]A2+; reaffirmed and assigned for enhanced amount
Long-term/Short-term - Unallocated	0.85	4.45	[ICRA]BBB+(Stable)/[ICRA]A2+; reaffirmed and assigned for enhanced amount
<b>Total</b>	<b>67.05</b>	<b>100.00</b>	

\*Instrument details are provided in Annexure-II

### Rationale

The ratings consider Superfil Products Private Limited's (SPPL) long track record in the filament yarn segment with established relationship with customers across multiple industries including fishing nets, textiles, auto components among others. ICRA takes comfort from SPPL's revenue diversification across industries, which mitigates the risk of cyclicality in any industry, leading to stability in revenues. The ratings consider healthy demand for monofilament yarn, especially from the industrial segment, which accounts for 60-65% of the company's revenues.

The company's revenue growth is estimated to have remained muted in FY2026 owing to subdued demand for multifilament yarn, which resulted in a decline in volumes. Planned capacity addition in the monofilament yarn division, which has been operating at a healthy capacity utilisation, is expected to support revenue growth over the medium term. The company's operating margin moderated to 6.4% in FY2025 from 10.6% in FY2024 owing to an increase in employee costs with higher salaries paid to promoters. The operating margin is estimated to remain at a similar level in FY2026 as well. However, its cash accruals have been supported by absence of dividend payouts unlike the trend witnessed in previous years. The company's raw materials are crude derivatives; hence, their prices are influenced by crude price movements. Raw material prices increased sharply since March 2026 owing to West Asia crisis and the company's ability to pass on the increased input costs to customers in a timely manner remains monitorable. While increase in raw material costs and elevated fixed expenses remain challenges, improved product mix towards higher margin monofilament yarn is likely to support earnings growth in FY2027. The company's financial profile is healthy despite a moderation witnessed in FY2025 and FY2026 owing to debt-funded capex and decline in operating margins. Expected improvement in earnings with ramp-up of new capacity added in FY2026 is likely to support improvement in debt metrics, going forward.

The ratings are, however, constrained by SPPL's modest scale of operations, which limits the economies of scale. The company is expanding its monofilament division capacity to around 8,000 MT from existing 7,000 MT, which is expected to be fully operational by the end of April 2026. The capex is funded by term loans and internal accruals. The ramp-up of the expanded capacity would support growth to an extent. The ratings also factor in the exposure of SPPL's profitability to volatile raw material prices and foreign exchange (forex) rate fluctuation, which coupled with intense competition puts pressure on its revenues and margins. Additionally, the company imports a significant part of its raw materials from China, so any increase in duties and tariffs would affect the company's margins.

The Stable outlook on the long-term rating reflects ICRA's opinion that SPPL will record a steady growth in its earnings, aided by planned capacity expansions and healthy demand for monofilament yarn, which would support the company in maintaining its sound financial risk profile with comfortable debt metrics.

## Key rating drivers and their description

### Credit strengths

**Extensive experience of promoters; established relationships with customers** – SPPL was established in 1986. Its promoters have experience of over three decades in the filament yarn industry. The company has established relationships with its customers, ensuring regular order flow.

**Diversified revenue base with moderate customer concentration risk** – The company's products cater to diverse segments such as fishing, agriculture, industrial, and technical applications. SPPL derives most of its revenues from the domestic market (78% in 9M FY2026), while the rest comes from exports to countries such as Malaysia, Italy, Sri Lanka, the UAE, and Belgium, among others. The diversified end-user base mitigates the risk of cyclicity in any specific industry, lending stability to its revenues. Overall, the customer concentration has also remained low with the top 10 customers contributing around 42% to its revenues in 9M FY2026 (42% in FY2025).

**Financial profile characterised by robust capital structure and coverage indicators** – The company's capital structure and coverage indicators continue to remain comfortable on the back of limited debt and steady earnings, supporting growth in its net worth. Its leverage and coverage metrics moderated in FY2025 owing to debt-funded capex and decline in operating margins and are expected to moderate further in FY2026 owing to debt-funded capex. Despite moderation, the same are estimated to remain comfortable with Total debt/ OPBITDA of around 3.5 times and DSCR of around 2.5 times in FY2026. Expected increase in earnings with ramp-up of new capacity added in FY2026 is likely to support improvement in debt metrics, going forward.

### Credit challenges

**Moderate scale of operations and stagnant revenue growth** – The company is a mid-sized player in the filament yarn industry, with a moderate scale of operations having an installed production capacity of 7,400 MT. The company is in the process of expanding its capacity by 1,000 MT by April 2026 through the purchase of two new machinery, of which one has been purchased and commissioned in September 2025 while the other is likely to start operations in April 2026. The company's revenue has been largely flat in the past three years ending FY2025 and growth is estimated to have remained muted in FY2026 as well with revenue of around Rs. 200-205 crore. Capacity enhancement is expected to support growth over the next two years. While demand for multifilament yarn remained subdued owing to increased competition from cheaper imports, the same is improving with increasing wallet share from its existing customers and addition of new customers.

**Vulnerability of profitability to adverse fluctuation in raw material prices and forex rates** – The company's major raw materials are nylon 6, nylon 66 and polyethylene terephthalate (PET). The company's margins are exposed to adverse movements in raw material prices, which in turn are vulnerable to crude price movements. With recent sharp spike in crude prices owing to West Asia conflict, the company's ability to pass on the increased cost to customers remains critical. As SPPL derives 15-20% of its revenues from exports and is highly reliant on imports for its various raw materials, its profitability remains exposed to fluctuations in forex rates in the absence of any formal hedging policy.

**Intense competition in the industry and high dependence on China for raw materials** – The business environment remains competitive, given the industry structure. A large portion of the filament yarn industry is serviced by unorganised players, which cater to the small-scale requirements of clients across various industries, while the remaining is dominated by a few major players. This limits the company's pricing flexibility and exerts pressure on its profitability. However, SPPL's diverse product profile and its established client relationships mitigate the risk to some extent. As the company imports a significant part of its raw materials from China, their procurement and availability would be monitored.

## Liquidity position: Adequate

The company's liquidity position is Adequate with expected retained cash flows of Rs. 3-5 crore in FY2027 and a buffer of Rs. 3-4 crore (as on December 31, 2025) in working capital limits. This apart, the company has sizeable investments in equity and debt instruments. Against these sources of cash, it has repayment obligations of Rs. 3-5 crore in the next 12 months. The company plans to incur capex of around Rs. 5 crore in FY2027, funded through a mix of internal accruals and term loans of Rs. 3-5 crore.

## Rating sensitivities

**Positive factors** – The ratings could be upgraded if successful ramp-up of new capacity along with healthy realisations lead to a material improvement in its scale of operations, profitability, and cash flows.

**Negative factors** – ICRA may downgrade the ratings if a material decline in earnings owing to pricing pressure, adverse fluctuations in raw material costs or increase in other expenses result in a deterioration in debt metrics or liquidity position. Significant debt-funded capex affecting the company's debt metrics may also result in a ratings downgrade. Specific credit metric that could lead to downgrade include DSCR less than 1.7 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Superfil Products Private Limited (SPPL), originally incorporated as a public limited company in 1986 in Chennai, was converted into a private limited company in 2016. SPPL manufactures monofilaments and multifilaments from various monomers and polymers such as nylon 6, nylon 66, PET, polypropylene and polyethylene. The company manufactures filaments in various grades, which find applications in the fishing net industry, agro lines, and diverse industrial and medical applications. The company also has three windmills with a total generation capacity of 2.55 MW.

## Key financial indicators (audited)

SPPL (standalone)	FY2024	FY2025
Operating income (OI)	200.7	202.5
PAT	12.8	6.0
OPBDIT/OI	10.6%	6.4%
PAT/OI	6.4%	3.0%
Total outside liabilities/Tangible net worth (times)	0.4	0.4
Total debt/OPBDIT (times)	1.0	2.6
Interest coverage (times)	7.7	4.4

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 (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Apr 28, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund-based-Cash credit</b>	Long Term	29.00	[ICRA]BBB+ (Stable)	-	-	Mar 13, 2025	[ICRA]BBB+ (Stable)	Mar 18, 2024	[ICRA]BBB+ (Stable)
<b>Unallocated limits</b>	Long Term/ Short Term	4.45	[ICRA]BBB+ (Stable)/ [ICRA]A2+	-	-	Mar 13, 2025	[ICRA]BBB+ (Stable)/ [ICRA]A2+	Mar 18, 2024	[ICRA]BBB+ (Stable) / [ICRA]A2+
<b>Fund-based-Term loan</b>	Long Term	22.55	[ICRA]BBB+ (Stable)	-	-	Mar 13, 2025	[ICRA]BBB+ (Stable)	Mar 18, 2024	[ICRA]BBB+ (Stable)
<b>Non-fund based-Others</b>	Short Term	44.00	[ICRA]A2+	-	-	Mar 13, 2025	[ICRA]A2+	Mar 18, 2024	[ICRA]A2+
<b>Fund-based-Standby line of credit</b>	Long Term			-	-	-	-	Mar 18, 2024	[ICRA]BBB+ (Stable)

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(\*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI

2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash Credit	Simple
Long-term – Fund-based – Term Loan	Simple
Short-term – Non-fund Based – LC	Simple
Long-term/Short-term - Unallocated	Not Applicable

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash Credit	NA	NA	NA	29.00	[ICRA]BBB+ (Stable)
NA	Term Loan	FY2025	NA	FY2030	22.55	[ICRA]BBB+ (Stable)
NA	Letter of Credit	NA	NA	NA	44.00	[ICRA]A2+
NA	Unallocated	NA	NA	NA	4.45	[ICRA]BBB+ (Stable) / [ICRA]A2+

Source: Company

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

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

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## 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](http://www.icra.in)

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