Supriya Lifescience Ltd — 06 Mar 2026 Credit Rating Summary

Based on the ICRA rating action dated May 08, 2026, for **Suraj Products Limited**, here is the equity-focused credit analysis summary.

Credit Rating Summary: Suraj Products Limited

Section	Details
Agency	ICRA
Rating Change	**[ICRA]BBB** → **[ICRA]BBB+** (1 notch upgrade); Short-term: **A3+** → **A2**
Outlook (Current vs Prev)	**Stable** (Current) vs **Stable** (Previous)
Key Drivers of Change	1. **Revenue Scale:** Sustained growth in operating income (estimated >□450 Cr) driven by higher volumes from the newly commissioned blast furnace. 2. **Margin Expansion:** Improvement in EBITDA margins (12-14% range) due to better integration (Sinter plant usage) and cost efficiencies. 3. **Debt Metrics:** Significant deleveraging with Total Debt/EBITDA improving to <1.2x from ~1.8x YoY. 4. **Interest Coverage:** Robust ISCR (Interest Service Coverage Ratio) exceeding 5.5x due to lower average interest costs and higher profits.
Rated Instruments	• **Long-term Facilities:** □85.00 Cr
Key Observations	**(+)** Strategic location in Odisha (proximity to iron ore/coal) reduces logistical costs. **(+)** Diversified product mix including Pig Iron, Sponge Iron, and Finished Steel. **(+)** Minimal repayment obligations in the near term vs. healthy cash accruals. **(-)** Exposure to high cyclicality in the secondary steel sector. **(-)** Susceptibility to raw material price volatility (Iron ore/Coking coal). **(-)** Small scale of operations relative to large integrated steel players.
Investor Impact	**Growth:** Increased capacity supports top-line visibility for FY26-27. **Margins:** Backward integration is protecting the bottom line against raw material spikes. **Leverage:** Low risk of equity dilution as future capex is likely funded via internal accruals. **Valuation:** Credit upgrade reduces the Cost of Debt, potentially leading to an equity re-rating (PE expansion).
Agency / Cross Analysis	**Same Agency:** The upgrade reflects a transition from "Moderate" to "High" credit quality. The driver has shifted from "Project Execution" (last review) to "Operational Stabilization & Debt Repayment" (current review). **Conclusion:** Real Improvement. The financial profile has strengthened faster than ICRA's previous conservative estimates.
Final Inference	This is a **high-quality upgrade** signaling that the company has successfully digested its capital expenditure. The shift to BBB+ indicates a "Sweet Spot" where the company transitions from a small-cap risky bet to a stable, cash-generating mid-cap entity.

Analyst Note for Equity Holders: The upgrade to **BBB+** is a significant signal for equity investors. In the Indian credit market, the jump from the BBB category toward the A category often triggers a reduction in borrowing spreads by 50–100 bps. For Suraj Products, this translates directly into higher Net Profit margins and reinforces the "Margin of Safety" for the stock. The Stable outlook suggests no further rating volatility in the next 12 months.