

October 09, 2025

## Brahmani River Pellets Limited: Rating upgraded to [ICRA]A+(Stable)

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based Term loan	100.00	0.00	-
Long Term - Fund Based Cash Credit	200.00	275.00	[ICRA]A+(Stable); upgraded from [ICRA]A (Stable)
Long Term – Non-fund Based Limit	280.00	80.00	[ICRA]A+(Stable); upgraded from [ICRA]A (Stable)
Long Term – Interchangeable	(200.00)^	(275.00)^	[ICRA]A+(Stable); upgraded from [ICRA]A (Stable)
<b>Total</b>	<b>580.00</b>	<b>355.00</b>	

\*Instrument details are provided in Annexure-I, ^Sub-limit of long-term fund-based facility

### Rationale

The rating action for Brahmani River Pellets Limited (BRPL) factors in expectations of a significant increase in the company's earnings from the current fiscal, driven by a new pellet purchase agreement entered into with Tata Steel Limited (TSL), effective from May 2025. As per the agreement, TSL will purchase pellets from BRPL at a price that ensures a fixed margin of Rs. 600/MT, which is substantially higher than Rs. 350/MT received under the previous contract with its shareholders. As a result, the company's operating profits are expected to nearly double from FY2026 vis-à-vis FY2025. The term of the agreement is valid until March 31, 2030, unless terminated earlier by either party. While there is no minimum offtake commitment, ICRA expects TSL's large domestic steel capacity to ensure healthy demand for pellets, supporting BRPL's capacity utilisation levels and, consequently, its earnings.

The rating also factors in BRPL's status as one of the largest merchant pellet manufacturers in India, supported by its 4.7 million tonnes per annum (mtpa) beneficiation plant and 4 mtpa pellet plant. The rating also considers the favourable operating profile of BRPL with the presence of a 230-km-long slurry pipeline connecting its beneficiation plant in the iron ore-rich Barbil region to its pellet plant at Jajpur in Odisha. The company enjoys location-specific advantages due to the proximity of its beneficiation plant to iron ore mines and that of the pellet plant to steel mills and ports.

BRPL was earlier a joint venture (JV) among JSW Techno Projects Management Limited (JTPML), Thriveni Pellets Private Limited (TPPL) and Mitsun Steels Private Limited (MSPL). However, effective July 04, 2025, JTPML and MSPL sold their respective stakes to TPPL. Hence, the company is being held entirely by TPPL. TPPL is part of the Thriveni Group, which has extensive experience in mining operations in Odisha. At present, TPPL is held by TEMPL (Triveni Earthmovers Pvt. Ltd) and AISPL (Alder Industrial Services Pvt. Ltd). In August 2025, Lloyds Metals and Energy Ltd (LMEL) announced that its board had approved the acquisition of a 49.99% stake in TPPL, comprising the entire 49% stake held by AISPL and a 0.99% stake from TEMPL. The transaction is subject to approval by the company's shareholders and the Competition Commission of India (CCI). LMEL, where TEMPL is one of the promoter entities, operates one of India's largest merchant iron ore mines located in Surjagarh village, Gadchiroli district, Maharashtra.

The rating also considers BRPL's comfortable financial risk profile, marked by its debt-free status. The company's liquidity profile remained comfortable, as reflected in the sizeable free cash/bank/liquid investment balance of around Rs. 114 crore as on March 31, 2025. Steady accruals, along with no major capex plans over the near term, will sustain the company's comfortable financial risk profile going forward. Given the fixed-margin nature of the contract with TSL, the company does not

benefit from any upside in commodity prices. However, ICRA notes that the company is insulated from any adverse price fluctuation, mitigating downside risks.

The rating also considers BRPL's exposure to risks associated with the availability of iron ore. As per the pellet purchase agreement, TSL will be supplying the iron ore fines for the manufacturing of pellets. However, any disruption in the supply of iron ore fines from TSL could affect BRPL's capacity utilisation levels and cash flows in the absence of any volume offtake agreements. Akin to other pellet manufacturers, BRPL is exposed to the cyclicity inherent in the steel sector. A prolonged downturn in the steel industry could exert pressure on BRPL's capacity utilisation levels and cash flows in the absence of any volume offtake agreements with TSL.

The Stable outlook on the [ICRA]A+ rating reflects ICRA's expectation that BRPL's credit profile will remain supported by its debt-free status and steady accruals owing to its fixed-margin agreement with TSL.

## Key rating drivers and their description

### Credit strengths

**BRPL has favourable operating profile and is one of the largest pellet manufacturers in India; significant increase in earnings expected from new pellet purchase agreement** – BRPL operates a 4.7-mtpa beneficiation plant at Barbil (Odisha) and a 4-mtpa pellet plant at Jajpur (Odisha). The beneficiation plant is strategically located at Tanto, Barbil, surrounded by iron ore mines. The beneficiation and pellet plants are connected by a 230-km-long underground slurry pipeline. The pellet plant is situated at the Kalinganagar Industrial Complex, the steel hub of eastern India, and is located close to India's eastern coast, which facilitates both export and coastal shipping of pellets. Effective May 2025, the company entered into a pellet purchase agreement with TSL, under which TSL will buy pellets at a price ensuring BRPL a fixed margin of Rs. 600/MT, significantly higher than the previous Rs. 350/MT margin. As a result, the company's operating profits are expected to nearly double from FY2026 onwards vis-à-vis FY2025. While there is no minimum offtake commitment, ICRA expects TSL's large domestic steel capacity to ensure healthy demand for pellets, thereby supporting BRPL's capacity utilisation levels and earnings.

**Comfortable financial risk profile** – The company's net worth base remains healthy, which, coupled with its debt-free status, has resulted in a comfortable financial risk profile, reflected in interest coverage and DSCR of 37.7 times and 27.8 times, respectively, in FY2025. The company's liquidity profile remains comfortable, as indicated by the sizeable free cash/bank/liquid investment balance of around Rs. 114 crore as on March 31, 2025. Steady accruals and the absence of major capex plans over the near term are expected to sustain its comfortable financial risk profile going forward.

**Extensive experience of shareholders** – BRPL was earlier a JV among JTPML, TPPL and MSPL. However, effective July 04, 2025, JTPML and MSPL sold their respective stakes to TPPL, making BRPL a wholly owned subsidiary of TPPL. TPPL, part of the Thriveni Group, has extensive experience in mining operations in Odisha. TPPL is currently held by TEMPL and AISPL. In August 2025, LMEL announced that its board had approved the acquisition of a 49.99% stake in TPPL, which includes the entire 49% stake held by AISPL and another 0.99% from TEMPL. The transaction is subject to shareholder and CCI approval. LMEL, where TEMPL is one of the promoter entities, operates one of India's largest merchant iron ore mines in Surjagarh village, Gadchiroli district, Maharashtra.

### Credit challenges

**Exposure to risks associated with availability of iron ore** – As per the pellet purchase agreement, TSL will supply iron ore fines for pellet production. However, any disruption in this supply could impact BRPL's capacity utilisation and cash flows in the absence of volume offtake agreements.

**Exposure to cyclicity in steel sector** – Iron ore pellet is used as an input in the steel manufacturing process. BRPL, like other pellet manufacturers, is exposed to the cyclicity inherent in the steel sector. A prolonged downturn in the steel industry could exert pressure on BRPL's capacity utilisation levels and cash flows in the absence of any volume offtake agreements with TSL.

## Liquidity position: Strong

BRPL's liquidity position is assessed as strong, with the expected healthy fund flow from operations, free cash/bank/liquid investment balance of around Rs. 114 crore as on March 31, 2025, and an adequate buffer in the form of unutilised working capital limits. ICRA expects the company to meet its maintenance capex commitments through internal accruals while still maintaining sufficient cash surpluses.

## Rating sensitivities

**Positive factors** – BRPL's rating could be upgraded if there is any substantial improvement in scale and profitability, while maintaining a healthy credit profile and liquidity position.

**Negative factors** – Pressure on BRPL's rating could arise in case of any weakening in cash flows due to a downward revision in the profit cap or any large cash outflow to its shareholders, adversely impacting the liquidity position. A specific trigger for a downgrade is if total debt-to-operating profit ratio is above 1.5 times on a sustained basis.

## Analytical approach

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

## About the company

BRPL was incorporated in 2006 by Stemcor India Private Limited (SIPL), a wholly owned subsidiary of the Stemcor Group, UK. The company was later transferred to Aryan Mining and Trading Corporation Private Limited (Aryan Mining). BRPL has a 4.7-mtpa iron ore beneficiation plant in Barbil, Odisha and a 4-mtpa pellet plant at Kalinganagar Industrial Complex in Jajpur, Odisha. The two units are connected via a 230-km slurry pipeline to transport iron ore concentrate from the beneficiation plant to the pellet plant.

BRPL started commercial production in June 2013. However, in FY2016 and FY2017, weak pellet demand and a drop in realisation resulted in losses. On December 15, 2017, TPPL, a 51% subsidiary of Thriveni Earthmovers Private Limited, JTPML, a JSW Group company and MSPL signed a binding shareholders' agreement to acquire BRPL in the ratio of 49:49:2, respectively, from Aryan Mining. The company was taken over on February 23, 2018, by the current shareholders, with TPPL having the management control. However, effective July 04, 2025, JTPML and MSPL have sold their respective stake to TPPL. Hence, the company is being held entirely by TPPL.

## Key financial indicators

	FY2024	FY2025
Operating income	2,473.9	2,466.3
PAT	38.7	36.0
OPBDIT/OI	4.2%	3.9%
PAT/OI	1.6%	1.5%
Total outside liabilities/Tangible net worth (times)	0.5	0.2
Total debt/OPBDIT (times)	0.8	0.0
Interest coverage (times)	17.3	37.7

Source: Company, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; 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 rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Oct 09, 2025	Date	Rating	Date	Rating	Date	Rating
<b>Fund Based-Cash Credit</b>	Long Term	275.00	[ICRA]A+ (Stable)	Sep 13, 2024	[ICRA]A (Stable)	Jul 31, 2023	[ICRA]A (Stable)	Jun 27, 2022	[ICRA]A (Negative)
				-	-	-	-	Jan 04, 2023	[ICRA]A (Stable)
<b>Interchangeable-Others</b>	Long Term	(275.00)^	[ICRA]A+ (Stable)	Sep 13, 2024	[ICRA]A (Stable)	Jul 31, 2023	[ICRA]A (Stable)	Jun 27, 2022	[ICRA]A (Negative)
				-	-	-	-	Jan 04, 2023	[ICRA]A (Stable)
<b>Non Fund Based-Others</b>	Long Term	80.00	[ICRA]A+ (Stable)	Sep 13, 2024	[ICRA]A (Stable)	Jul 31, 2023	[ICRA]A (Stable)	Jun 27, 2022	[ICRA]A (Negative)
				-	-	-	-	Jan 04, 2023	[ICRA]A (Stable)
<b>Fund Based-Term Loan</b>	Long Term	0.00	-	Sep 13, 2024	[ICRA]A (Stable)	Jul 31, 2023	[ICRA]A (Stable)	Jun 27, 2022	[ICRA]A (Negative)
				-	-	-	-	Jan 04, 2023	[ICRA]A (Stable)

^Sub-limit of long-term fund-based facility

#### Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund Based Cash credit	Simple
Long Term – Non-fund Based Limit	Very simple
Long Term – Interchangeable	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 - Fund Based Cash Credit	NA	NA	NA	275.00	[ICRA]A+ (Stable)
NA	Long Term – Non-fund Based Limit	NA	NA	NA	80.00	[ICRA]A+ (Stable)
NA	Long Term – Interchangeable	NA	NA	NA	(275.00)	[ICRA]A+ (Stable)

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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