May 13, 2026

Brahmani River Pellets Limited: Rating upgraded to [ICRA]AA(Stable)

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term - Fund Based Cash Credit	275.00	275.00	[ICRA]AA(Stable); upgraded from [ICRA]A+ (Stable)
Long Term – Non-fund Based Limit	80.00	80.00	[ICRA]AA(Stable); upgraded from [ICRA]A+ (Stable)
Long Term – Interchangeable	(275.00)^	(275.00)^	[ICRA]AA(Stable); upgraded from [ICRA]A+ (Stable)
Total	**355.00**	**355.00**	

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

Rationale

The rating action for Brahmani River Pellets Limited (BRPL) factors in the change in shareholding of the holding company, Thriveni Pellets Private Limited (TPPL). TPPL which was earlier owned by Thriveni Earthmovers Private Limited and Alder Industrial Services Private Limited, has seen its shareholding change, with the company now being owned by Tata Steel Limited (TSL) and Llyods Metals & Energy Limited (LMEL) in the ratio of 50.01% and 49.99% respectively. TPPL, which holds 100% of BRPL, will merge with BRPL going forward, with the NCLT granting its final order recently to effect the merger. Post that, BRPL would directly become the subsidiary of TSL. ICRA has also changed the analytical approach to parent notch up approach against the earlier rating approach of analysing the standalone profile of the entity. While TSL remains one of the biggest steel producers domestically and globally, LMEL operates one of India's largest merchant iron ore mines in Surjagarh village, Gadchiroli district, Maharashtra which has a rated capacity of 26 mtpa. A strong sponsor profile imparts considerable financial flexibility to the company.

Given TSL's pellet requirement in Odisha where it has its steel manufacturing operations in Kalinganagar and Meramandali and BRPL's proximity to these facilities, TSL meets a part of its pellet requirements through BRPL, which are processed from TSL's own iron ore. Thus, the operational linkages with TSL remain strong. The ratings also consider BRPL's comfortable financial risk profile. The company's net worth base remains healthy, which, coupled with its low debt levels, has resulted in a comfortable financial risk profile, reflected in interest coverage and Total Debt/OPBDITA of 72.6 times and 0.3 times, respectively, in FY2026. TPPL, the parent entity, will get merged with BRPL in the coming months, which will increase the debt quantum on BRPL's balance sheet, however with increased earnings expected going forward, the credit indicators are expected to remain comfortable. Effective May 2025, the company entered into a pellet purchase agreement with TSL, under which TSL was buying pellets at a price ensuring BRPL a fixed margin of Rs. 600/MT. However, post TSL becoming a shareholder in the company, a new conversion agreement is now in place which is effective from March 2026. Under the new agreement, TSL will be paying a higher fixed margin which is in the range of Rs.830-1125/MT (at the operating cost level), depending on the production/dispatch milestone achieved. The iron ore fines used for pellet production will be supplied from TSL's own mines. Besides, the new agreement has also a minimum volume commitment of 2.8 MTPA which TSL has to fulfill, failing which TSL has to pay a fixed margin of Rs.1125/MT for the shortfall. The higher fixed margins would result in a significant increase in profits from the current fiscal and the minimum offtake commitment would insulate earnings. 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.

In case BRPL is unable to fulfill the offtake commitment for the reason in control of BRPL which stipulates a minimum 2.8 mtpa production/dispatch, BRPL will have to either source pellets for TSL from third party or bear the additional cost incurred by TSL for sourcing pellets from third party as compared to BRPL for the shortfall. Given TSL's own low cost iron ore, the production cost differential between the pellets produced in BRPL's plant (manufactured using TSL's own iron ore) and sourced from third parties is substantial and can adversely impact the BRPL's earnings incase the shortfall at BRPL's end is substantial. The rating also considers BRPL's exposure to agreement renewal risks given the short tenure of the agreement which is three years from the commencement date. However, ICRA notes that, given the operational linkages with TSL, the risk is reduced to an extent.

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

Key rating drivers and their description

Credit strengths

Strong parentage with the shareholders being TSL and LMEL; operating linkages with TSL – BRPL is a wholly owned subsidiary of TPPL, which is now held by TSL and LMEL in the ratio of 50.01% and 49.99% respectively. TSL acquired its 50.01% stake on January 30, 2026 from Thriveni Earthmovers Private Limited. TPPL, which holds 100% of BRPL, will merge with BRPL going forward, with the NCLT granting its final order recently to effect the merger. Post that, BRPL would directly become the subsidiary of TSL. While TSL remains one of the biggest steel producers domestically and globally, LMEL operates one of India's largest merchant iron ore mines in Surjagarh village, Gadchiroli district, Maharashtra which has a rated capacity of 26 mtpa. A strong parentage imparts considerable financial flexibility to the company. Given TSL's pellet requirement in Odisha where it has its steel manufacturing operations in Kalinganagar and Meramandali and BRPL's proximity to these facilities, TSL meets a part of its pellet requirements from which are processed from TSL's own iron ore. Thus, the operational linkages with TSL remain strong.

Comfortable financial risk profile – The company's net worth base remains healthy, which, coupled with its low debt levels, has resulted in a comfortable financial risk profile, reflected in interest coverage and Total Debt/OPBDITA of 72.6 times and 0.3 times, respectively, in FY2026. TPPL, the parent entity, will get merged with BRPL in the coming months, which will increase the debt quantum on BRPL's balance sheet, however with increased earnings expected going forward, the credit indicators are expected to remain comfortable.

Significant increase in earnings expected from the current fiscal, minimum offtake commitment insulates earnings – Effective May 2025, the company entered into a pellet purchase agreement with TSL, under which TSL was buying pellets at a price ensuring BRPL a fixed margin of Rs. 600/MT. However, post TSL becoming a shareholder in the company, a new conversion agreement is now in place which is effective from March 2026. Under the new agreement, TSL will be paying a higher fixed margin which is in the range of Rs.830-1125/MT, depending on the production/dispatch milestone achieved. The iron ore fines used for pellet production will be supplied from TSL's own mines. Besides, the new agreement has also a minimum volume commitment of 2.8 MTPA which TSL has to fulfill, failing which TSL has to pay a fixed margin of Rs.1125/MT for the shortfall. The higher fixed margins would result in a significant increase in profits from the current fiscal and the minimum offtake commitment would insulate earnings.

Credit challenges

Inability to supply pellets to TSL will adversely impact the company's earnings – In case BRPL is unable to fulfill the offtake commitment for the reason in control of BRPL which stipulates a minimum 2.8 mtpa production/dispatch, BRPL will have to either source pellets for TSL from third party or bear the additional cost incurred by TSL for sourcing pellets from third party as compared to BRPL for the shortfall. Given TSL's own low cost iron ore, the production cost differential between the pellets produced in BRPL's plant (manufactured using TSL's own iron ore) and sourced from third parties is substantial and can adversely impact the BRPL's earnings in case the shortfall at BRPL's end is substantial.

Exposure to agreement renewal risk – The new conversion agreement with TSL shall remain in place for three years from the commencement date which increases the renewal risk for the company. However, ICRA notes that, given the operational linkages with TSL, the risk is reduced to an extent.

Liquidity position: Strong

BRPL's liquidity position is assessed as strong, with the expected healthy operating cashflows and an adequate buffer in the form of unutilised working capital limits. ICRA expects the company to meet its debt repayment obligations and 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 the earnings, while maintaining a healthy credit profile and liquidity position. Additionally, the rating may also be upgraded if there is an improvement in the credit profile of the parent entities/sponsors.

Negative factors – Pressure on BRPL's rating could arise in case of any weakening in cash flows or any large cash outflow to its shareholders, adversely impacting the credit profile and liquidity position. The rating may also be downgraded if there is a deterioration in the credit profile of the parent entities/sponsors., or if the operational and financial linkages with the promoters are weakened.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Iron & Steel
Parent/Group support	Parent Company: BRPL is a wholly owned subsidiary of Thriveni Pellets Private Limited which is held by TSL and LMEL in the ratio of 50.01% and 49.99% respectively. ICRA expects the promoters to be willing to extend financial support if there is a need.
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. Presently, BRPL is a wholly owned subsidiary of Thriveni Pellets Private Limited which is held by TSL and LMEL in the ratio of 50.01% and 49.99% respectively.

Key financial indicators

	FY2025	FY2026*
Operating income	2,461.7	2,657.7
PAT	36.0	93.8
OPBDIT/OI	3.7%	6.6%
PAT/OI	1.5%	3.5%
Total outside liabilities/Tangible net worth (times)	0.2	0.2
Total debt/OPBDIT (times)	0.0	0.3
Interest coverage (times)	35.9	72.6

*Source: Company, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. Crore, *-Provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs crore)**	**May 13, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund-based-Cash credit	Long Term	275.00	[ICRA]AA (Stable)	Oct 09, 2025	[ICRA]A+ (Stable)	Sep 13, 2024	[ICRA]A (Stable)	Jul 31, 2023	[ICRA]A (Stable)
				Dec 19, 2025	[ICRA]A+ (Stable)	-	-	-	-
Interchangeable limits-Others	Long Term	(275.00) ^	[ICRA]AA (Stable)	Oct 09, 2025	[ICRA]A+ (Stable)	Sep 13, 2024	[ICRA]A (Stable)	Jul 31, 2023	[ICRA]A (Stable)
				Dec 19, 2025	[ICRA]A+ (Stable)	-	-	-	-
Non-fund based-Others	Long Term	80.00	[ICRA]AA (Stable)	Oct 09, 2025	[ICRA]A+ (Stable)	Sep 13, 2024	[ICRA]A (Stable)	Jul 31, 2023	[ICRA]A (Stable)
				Dec 19, 2025	[ICRA]A+ (Stable)	-	-	-	-
Fund-based-Term loan	Long Term	-	-	-	-	Sep 13, 2024	[ICRA]A (Stable)	Jul 31, 2023	[ICRA]A (Stable)

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

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 the 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 the regulatory purview of various 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 – Non-fund Based Limit	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 II: 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]AA (Stable)
NA	**Long Term – Non-fund Based Limit**	NA	NA	NA	80.00	[ICRA]AA (Stable)
NA	**Long Term – Interchangeable**	NA	NA	NA	(275.00)	[ICRA]AA (Stable)

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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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.

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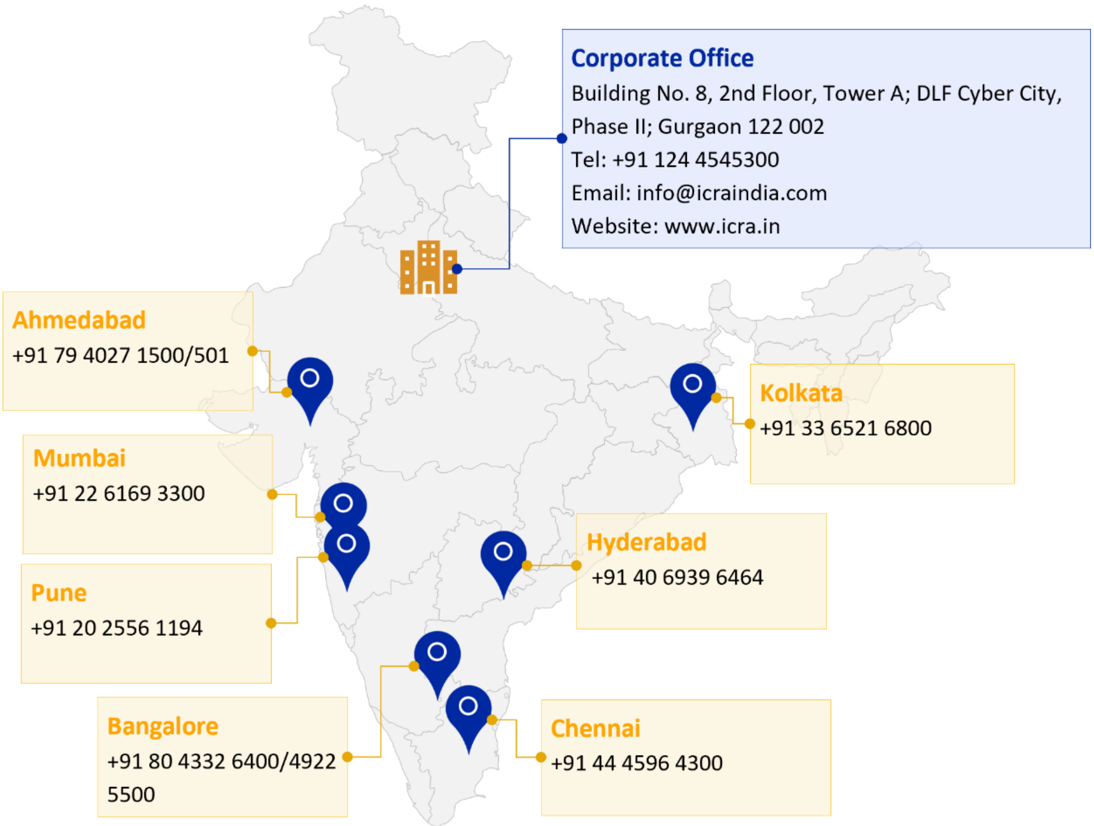

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