Integrated Coal Mining Limited

January 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	61.36 (Reduced from 75.00)	CARE A-; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the long-term rating on the bank facilities of Integrated Coal Mining Limited (ICML), which operates Sairsatolli mine and a 9 MW solar power plant, factors in the improvement in mining output to 1.49 million MT in FY25 (PY: 1.29 million MT) and renewal of the mining agreement between the company and CESC Limited (CESC; rated CARE AA; Negative/CARE A1+) till March 2035. Generation performance of the 9 MW solar power plant remained satisfactory as reflected by plant load factor (PLF) of 13.8% in FY25 (PY: 13.3%) and 12.6% in 8MFY26 (PY: 13.3%). The payment from CESC for mining output and Gujarat Urja Vikas Nigam Limited (GUVNL) for solar generation has been timely.

The rating continues to factor in strong parentage of the company as it is a part of RP-Sanjiv Goenka (RPSG) Group and its strategic importance to CESC Limited, the group's flagship entity. CARE Ratings Limited (CareEdge Ratings) notes strong linkages with CESC and expects need-based support from CESC to ICML, which has been articulated by CESC's management. RPSG is a diversified conglomerate with operations across power and natural resources, infrastructure, carbon black, BPO, education, real estate, retail, and media and entertainment. ICML operates as a mine operator for the Sarisatolli Mine, awarded to CESC by the Ministry of Coal through competitive bidding. Output from this mine feeds the Budge Budge Plant of CESC supplying power in the Kolkata region, where CESC is the distribution licensee. Presence of long-term mining agreement valid till March 2035 and long-term power purchase agreement (PPA) for 9 MW solar power project with GUVNL provides long-term revenue visibility. Given the lower cost of production by ICML, remains one of the key sources of fuel for the plant's overall requirement and is cost competitive against alternative fuel sources such as e-auction/fuel supply agreements, allowing better position under the merit order dispatch to the plant. The solar power plant has signed PPA at tariff of ₹15 per unit for first 12 years from commercial operations date (COD) and ₹5 per unit for the next 13 years and has been operational since March 2012.

However, the rating remains constrained by technological risks and dependence on climatic conditions for solar power generation business, regulatory risk in the mining sector, and high exposure to group companies and corporates as evident from funds of ₹1,203 crore as on March 31, 2025. The company's ability to operate the mine at suitable production level aligned with past trends will be critical since mining revenue depends on actual production.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations with turnover above ₹500 crore on a sustainable basis coupled with diversification and addition of new mining contracts.
- Faster than envisaged de-leveraging

Negative factors

- Deterioration in the credit profile of CESC Limited
- Decline in receipt of payment from GUVNL for solar project for more than 90 days
- Substantial outflow of funds in the event of unfavourable outcome pertaining to contingent liability on account of service tax matter.
- Total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBIDTA) exceeding 3.5x on a sustained basis.

Analytical approach: Standalone, factoring in group support from RPSG Group.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

CareEdge Ratings expects ICML's parent, Rainbow Investments Limited, to be willing to support ICML, should there be a need, given the high strategic importance of the company for RPSG Group. The company acts as mine developer for Sarisatolli Mine owned by CESC, the flagship entity of RPSG.

Outlook: Stable

The company's stable outlook reflects steady cash generation given the healthy generation under the solar project and mining production. Its importance for CESC will continue to augur well for ICML's credit profile.

Detailed description of key rating drivers:

Key strengths

Strong promoter group with satisfactory business experience in power sector

The RPSG group is a leading industrial group in India having significant presence across diverse business segments such as power and natural resources, infrastructure, carbon black, BPO, education, real estate, retail, and media and entertainment. ICML's directors are qualified professionals with a long association with the group's flagship entity, CESC.

Strategic importance of the asset to CESC

ICML acts as the mine operator for Sarisatolli Mine awarded to CESC through competitive bidding by the Ministry of Coal. ICML produces coal for CESC at pre-determined rates for utilisation in the Budge Budge plant owned by CESC. The plant supplies power to CESC's Kolkata distribution licensee area.

As articulated by the management, ICML is a strategically important entity for CESC given over 25 years' experience in operating the mine and sustenance of PLF for the Budge Budge project. Production from mine remains one of the key sources of fuel for the plant's overall requirement and is cost competitive against alternative fuel sources such as e-auction/fuel supply agreements, allowing better position under the merit order dispatch to the plant

Improved production in mining output in FY25 and H1FY26

Production of mining output improved in FY25 with total production of 1.49 million tonne in the year (FY24: 1.29 million tonne). Production from the mine further improved in H1FY26 with total production of 0.86 million tonne (H1FY25: 0.5 million tonne). CareEdge Ratings expects production to sustain above 1.5 million tonne per annum from FY26 onwards.

Long-term off-take agreement in form of PPA at favourable tariff for the 9 MW solar plant

ICML entered a long-term PPA with GUVNL for 25 years from COD (March 2012). Tariff is ₹15 per kwh for the first 12 years from COD and ₹5 per unit for remaining 12 years.

Low counterparty credit risk

The company acts as the mine operator for the coal mine of CESC Limited at Sarisatolli, West Bengal and operates a 9 MW solar plant in Kutch, Gujarat. Credit profile of off-take counterparties for mining output and the solar power project remains strong, and the company receives prompt payments from them.

Key weaknesses

Exposure in group companies and subsidiaries

ICML's exposure to group companies remains high with loans and investments of ₹1,203 crore as on March 31, 2025. The company has also extended loans to its group companies outside the power sector with outstanding balance of ₹105 crore as on March 31, 2025. The company has received interest income of ₹9.5 crore in FY25 and ₹20.9 crore in FY24.

Regulatory risk in mining sector

The mining environment in India remains highly uncertain considering issues such as illegal mining and risk associated with mining activities of its client entities due to sudden change in government policies. In September 2014, the Supreme Court of India had deallocated coal mines. ICML was impacted as the coal mine at Sarisatolli in Asansol was deallocated and subsequently allocated to CESC Limited from April 01, 2015. Subsequently, ICML was appointed by CESC to carry out mining operations.

Exposure of the project towards climatic conditions and technological risk

Power generation level of a solar power plant primarily depends on factors such as solar radiation levels, temperature and climatic conditions, losses in PV systems, transmission efficiency, design parameters of the plant and inverters installed, and module aging and degradation. While losses in PV systems, design parameters, inverter efficiency and module degradation depend on overall manufacturing pattern and technical soundness of the modules, solar radiation levels and overall climatic conditions are beyond human control and can adversely affect the operational efficiency of a solar power plant.

Liquidity: Adequate

The company enjoys satisfactory liquidity position with free cash and bank balance of ₹20.46 crore on September 30, 2025. The liquidity profile is supported by timely receipt of dues from strong off-takers in solar and mining businesses.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Solar Power Projects
Notching by Factoring Linkages in Ratings

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals and mining	Minerals and mining	Industrial minerals

Incorporated in April 1996, ICML is part of the RPSG group. ICML was formed to develop and supply coal and operate the coal mine for CESC Limited at Sarisatolli, Asansol, West Bengal. ICML commenced mining operations in May 2002. ICML currently acts as the mine operator for CESC's coal mine in West Bengal. ICML also operates a 9 MW solar power plant in Kutch, Gujarat, commissioned in 2012. It has a long-term PPA of 25 years with GUVNL.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	171	192
PBILDT*	10	15
Profit after tax (PAT)	33	34
Overall gearing (x)	0.1	0.1
Interest coverage (x)	1.0	1.0

A: Audited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Term Loan-Long Term		-	-	February 2030	61.36	CARE A-; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (19-May-22)
2	Term Loan-Long Term	LT	61.36	CARE A-; Stable	-	1)CARE A-; Stable (20-Mar-25)	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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