IMC Infrastructure Private Limited

June 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	450.00	CARE BBB+; Stable	Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

The rating assigned to bank facilities of IMC Infrastructure Private Limited (IMCIPL) factors in the strong parentage of IMC Limited (IMC; rated 'CARE A+; Stable / CARE A1+'), which has a leading position in the liquid storage segment and an extensive presence in handling liquid cargo across 14 ports nationwide. The IMC group has a strong financial risk profile, supported by a healthy capital structure and robust liquid investments and cash balances. IMCIPL benefits from the linkages with parent; IMC which has been providing the requisite financial and managerial support towards the project. The support is demonstrated through equity infusion (~₹36 crore as on March 31, 2026) to accelerate the project progress and also facilitating securing bank guarantee by extending the requisite cash margin. CARE Ratings Limited (CareEdge Ratings) expects continued sponsor support through timely equity infusion and need-based support in project execution and stabilisation. Any deviation from said stance and/or weakening of linkages with sponsor shall be a key rating sensitivity.

The rating also derives comfort from the low exploration risk of the Kavitam Field, supported by discovered and tested gas reserves, a sizeable hydrocarbon resource base with commercially viable production potential, proximity to existing GAIL India Limited (GAIL, rated 'CARE AAA; Stable / CARE A1+') pipeline infrastructure, market-linked gas pricing under the Discovered Small Field (DSF) framework, which provides pricing flexibility and favourable revenue sharing contract (RSC) with Government of India under which the company is not subject to minimum guaranteed payments and the government's share is linked to the revenue generated from the field. Progress in obtaining key statutory approvals, including Environmental Clearance and Consent to Establish, and overall execution readiness further minimises the project risk and is viewed favourably from credit perspective.

The current scope of development under the project includes commencement of commercial production from four existing drilled and tested wells in Kavitam field through installation and commissioning of the gas collection/processing plant, flow pipelines, and export pipelines. The total project cost is estimated to be in the range of USD 37–45 million and is proposed to be funded in a debt-to-equity ratio of 70:30; with financial closure pending and discussions underway for debt tie up. The gas production is expected to commence from January 2028.

The rating strengths are tempered by the project implementation risks associated with ongoing collection/processing and transportation infrastructure being set up. Timely achievement of financial closure and receipt of pending approvals shall be critical. Besides, the rating factors in risk related to uncertainty around reservoir performance, and regulatory risks inherent in the upstream hydrocarbon sector.

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

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Timely completion and successful commissioning of the project within envisaged cost and timeline.
- Sustained production performance and healthy generation of cash accruals.

Negative factors

- Significant delay in project implementation or cost overruns, impacting commencement of commercial production.
- Deterioration in credit profile, and weakening linkages with the parent; IMC.
- Lower-than-expected production levels or gas realisations impacting cash flow generation.
- Any adverse regulatory or policy changes affecting project economics.

Analytical approach: Standalone, along with factoring linkages with parent company, IMC.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that IMCIPL will benefit from continued financial support from its parent, IMC, and expectations of timely project completion and commencement of commercial production, which are likely to support healthy cash accrual generation and comfortable debt servicing capability over the medium term.

Detailed description of key rating drivers:

Key strengths

Strong parentage of IMC group

IMCIPL is a wholly owned subsidiary of IMC, which has over five decades of established track record in the bulk liquid storage business in India. The parent company has demonstrated financial flexibility and execution capability through development of storage terminals, build, operate, and transfer (BOT) port infrastructure projects, and city gas distribution businesses. The Kavitam Field project represents IMC group's strategic entry in the upstream hydrocarbon sector under the Government of India's Discovered Small Field policy framework. The project is strategically important for the group as it enables diversification into natural gas production and strengthens the group's overall positioning across the energy value chain. IMC has demonstrated its commitment towards the project by the way of equity infusion (~36 crore as on March 31, 2026) to accelerate the project progress and also facilitating securing Bank Guarantee by extending the requisite cash margin. IMC has a demonstrated track record of supporting its group entities through equity infusion whenever required, which enhances the financial flexibility of the project. CARE Ratings Limited (CareEdge Ratings) expects continued sponsor support through timely equity infusion and need-based support in project execution and stabilisation. Any deviation from said stance and/or weakening of linkages with sponsor shall be a key rating sensitivity.

Long-term contract with Government of India

The company has executed a long-term revenue sharing agreement (RSC) with the Government of India for a period of 20 years, extendable by an additional 10 years under the DSF-III policy. The project operates under a Revenue Sharing Contract with the Government of India, under which a predefined percentage of sales revenue is payable to the Government of India. The company is required to pay royalty equivalent to 10% of revenue to the Government of Andhra Pradesh. The credit profile is supported by absence of minimum guaranteed payments for lower production/revenue, which is expected to support cashflows at time of uncertainty. With exploration and drilling already completed, the project benefits from lower upfront development risk and reduced funding requirements. The projected financial profile of the project remains favourable, supported by healthy operating profitability and strong cash accrual generation. CareEdge Ratings expect the adequate cashflows to support the operations and debt servicing requirements in the operations phase without recourse on the sponsor.

Low risk owing to discovered and tested gas field with sizeable reserve potential

Unlike conventional upstream hydrocarbon projects, where significant geological and exploration risk exists, the Kavitam Field represents a relatively low-risk upstream hydrocarbon asset as the field has already been explored, drilled, tested, and wells are completed as producer wells by ONGC Ltd. The four identified wells—Kavitam South-1, Gummaturu-1, Penugonda-5, and Seripalem-1—have demonstrated hydrocarbon presence and production capability during the testing conducted by ONGC, demonstrating commercially viable production potential. Sustained production from the existing wells is expected to support stable cash flow generation over the medium-to-long term.

Strategic location advantage

The project benefits from favourable infrastructure connectivity owing to the proximity of the proposed collection/processing facility to the existing GAIL pipeline network, with the nearest GAIL SV station at ~2 km from the processing facility. This is expected to reduce pipeline infrastructure costs and facilitate timely evacuation of gas. The field's location within the Krishna-Godavari Basin provides operational familiarity, availability of technical expertise, and access to existing oil and gas service infrastructure, supporting efficient project execution and operations.

Market-linked pricing mechanism

The project benefits from a favourable pricing framework under the DSF policy, where gas produced from the field can be sold through market-linked competitive bidding mechanisms without administered price ceiling imposed by the Government of India. This provides pricing flexibility and enables the company to benchmark gas realisations against international LNG and crude-linked indices, enabling the company to benefit from favourable international LNG and crude-linked gas pricing trends.

Progress in implementation and regulatory approvals

The project execution is divided into three key components: bringing the four existing wells into production, construction of the gas processing facility, and laying of the gas evacuation pipeline from the respective wellheads to the gas collection/processing facility and further connecting the facility to GAIL's pipeline infrastructure. The company has achieved meaningful progress in project implementation with the receipt of key statutory approvals to commence the project execution, including the Petroleum Mining Lease, Environmental Clearance, and Consent to Establish from relevant authorities. The company has completed Front-End Engineering Design (FEED) studies for the gas collection/processing plant and associated pipelines, detailed route surveys, and procurement of Christmas trees required for well activation. Contractor mobilisation and preparatory activities for well activation are underway, supporting execution readiness. The progress achieved across technical, regulatory, and procurement activities is expected to support commencement of commercial operations from January 2028.

Key weaknesses

Project implementation risk

The presence of already drilled and completed wells enables early monetisation opportunities with limited development risk and drilling expenditure. However, there is a relatively high implementation risk associated with establishing the gas collection/processing facilities and the transportation pipeline network. Land availability and other requisite clearances are in place for the gas collection/processing unit with the award of engineering, procurement, and construction (EPC) contract underway. Delays in securing the pending approvals, procurement of critical equipment, contractor mobilisation, or infrastructure integration may also adversely impact project timelines and near-term cash flow generation.

The total project cost is estimated to be in the range of USD 37–45 million and is proposed to be funded through a debt-equity ratio of 70:30. However, the project has not yet achieved financial closure, and timely sanction and disbursement of term loans remain critical for execution of the project. Delay in achieving debt tie-up or equity infusion from promoters could adversely impact project implementation schedules.

Exposure to inherent reservoir performance risks

The project remains exposed to inherent risk of reservoir performance associated with hydrocarbon production. While the field has been extensively explored, tested, and independently evaluated, actual reservoir performance will be validated through sustained commercial production. Actual production level may differ from expectations due to factors such as reservoir pressure depletion, lower-than-expected recovery rates, water breakthrough, or other subsurface uncertainties. Although the company has adopted conservative production assumptions relative to tested well capacities, significant deviation variation in reservoir performance could impact production levels, cash flow generation, and project economics.

Exposure to regulatory risks

The upstream natural gas industry in India remains highly regulated and exposed to policy-related risks. The project's operations depend on continued compliance with multiple environmental, operational, and statutory approvals issued by central and state authorities. Any delay in renewal of approvals, changes in environmental norms, or tightening of regulatory conditions could impact operational flexibility, implementation timelines, and medium-term production stability.

Liquidity: Adequate

The company's liquidity profile is mainly supported by the parent company, which is expected to support shortfall requirement in the construction stage and initial years of operations. On commencement of operation, the cashflows are expected to be adequate to meet the debt servicing requirements. The sponsor IMC had liquid funds of ₹634 crore as on December 31, 2025, on a consolidated basis.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Infrastructure Sector Ratings
Project stage companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Energy	Oil, gas & consumable fuels	Gas	Gas transmission/marketing

IMCIPL, a wholly owned subsidiary of IMC Limited, is an upstream oil and gas company currently engaged in the development and production of natural gas from the Kavitam Field in the Krishna-Godavari (KG) Basin in West Godavari district of Andhra Pradesh. IMCIPL has been awarded the discovered gas field KG/ONDSF/KAVITAM/2021 under the Government of India's

Discovered Small Field (DSF) Policy – Bid Round III with 100% Participating Interest (PI). Pursuant to the award, the company executed a Revenue Sharing Contract (RSC) with the Government of India on September 9, 2022. Petroleum Mining Lease for the field was granted by the Government of Andhra Pradesh on February 6, 2025. The concession period for the field is 20 years from February 6, 2025, extendable by an additional 10 years.

The Kavitam Field spans ~142.7 square kilometres and comprises five gas discoveries namely Kavitam South-1, Gummaturu-1, Penugonda-5, Seripalem-1, and South Mahadevapatnam-1, out of which four are proposed for immediate monetisation. The field was previously explored by ONGC, which drilled, tested and completed the explored wells as producer wells. IMCIPL proposes to commence commercial production from the already drilled and completed wells in Phase I of development. Commercial operations are expected to commence from January 2028.

Brief Financials: Not applicable – Project Stage Entity

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
Non-fund-based - LT-Bank Guarantee		-	-	-	211.56	CARE BBB+; Stable
Term Loan-Long Term		-	-	Proposed	238.44	CARE BBB+; 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 2026-2027	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
1	Term Loan-Long Term	LT	238.44	CARE BBB+; Stable				
2	Non-fund-based - LT-Bank Guarantee	LT	211.56	CARE BBB+; Stable				

LT: Long term; ST: Short term; LT/ST: Long term/Short 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	Non-fund-based - LT-Bank Guarantee	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

Annexure-6: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

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About us:

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