

March 26, 2026

IRC Natural Resources Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based – Term Loan	2.25	0.00	-
Long Term - Fund Based – Cash Credit	1.00	1.00	[ICRA]BBB- (Stable); reaffirmed
Long Term/Short Term - Non-fund Based – Bank Guarantee	26.75	29.00	[ICRA]BBB- (Stable)/[ICRA]A3; reaffirmed
Long Term – Unallocated Limit	6.00	6.00	[ICRA]BBB- (Stable); reaffirmed
Total	36.00	36.00	

*Instrument details are provided in Annexure-I

Rationale

While arriving at the ratings, ICRA has consolidated the financials of IRC Natural Resources Private Limited (INRPL) with its 60% subsidiary, IRC Multimodal Haldia Private Limited (IMHPL), as fungibility of fund between the entities are expected, going forward, with commencement of a new business line. Previously, the ratings were based on the standalone financial performance of INRPL.

The ratings reaffirmation continues to factor in the significant experience of the promoters of INRPL in the contract mining, logistics and cargo handling businesses and the company's track record of serving its clients satisfactorily. The presence of price variation clause in INRPL's existing cargo handling operation at the Haldia Dock Complex (HDC), which is a key business segment at present, protects the segment's profitability from adverse movement in input costs, to a large extent. The ratings also consider the conservative capital structure and the comfortable debt coverage metrics of INRPL. The company's operating margin improved to 16.4% in FY2025 from 10.6% in FY2024 due to improved performance of both the logistics and the mining segments, though lower non-operating income compared to FY2024 led to a decline in the net profit in FY2025.

The company's blended realisation, revenue and profitability from the clay mining segment have improved after commencement of production of white clay. However, the ratings consider a delay in ramp-up of sales volume from the black stone mining segment due to land acquisition related issues, exposure of the cargo handling segment to the economic cycles, causing variation in export and import volumes and operational challenges associated with HDC, which require periodic dredging as it is a riverine port. The ratings are also constrained by the company's modest ROCE, given its sizeable investment in properties and financial exposure to Group companies without commensurate returns. ICRA also notes that the validity of the 10-years contract at HDC will expire in December 2026, exposing the company to contract renewal risk, albeit with the likelihood of an extension for a limited period. Nevertheless, the operations under the long-term contract won by INRPL from Inland Waterways Authority of India (IWAI) for operating (through the subsidiary, IMHPL) the multimodal terminal at Haldia, West Bengal, has commenced from March 2026. Going forward, this will compensate, to a large extent, the revenue loss after expiry of the HDC contract. Price variation clause in the IWAI contract would also protect the segment's profitability. INRPL has also been selected by the West Bengal Mineral Development and Trading Corporation Ltd. (WBMDTC) as its joint venture (JV) partner to undertake rock phosphate mining operation in a mine located at Beldih in Purulia, which has been allotted to WBMDTC by the West Bengal Government. Commencement of operation of the mine will remain contingent upon receipt of regulatory approvals. Nevertheless, the new contracts would support INRPL's consolidated revenues and cash accruals, after commencement of operations.

The Stable outlook on the [ICRA]BBB- rating reflects ICRA's opinion that improved profitability from the clay mining segment and commencement of operations under the IWAI contract are likely to keep INRPL's consolidated profits and cash accruals at comfortable levels, despite the end of the HDC contract in the near-to-medium term. The company's overall credit profile is likely to remain comfortable with low debt and adequate liquidity position.

Key rating drivers and their description

Credit strengths

Promoter's experience in contract mining, logistics and cargo-handling businesses – INRPL, a part of the Kolkata-based IRC Group, has been promoted by Mr. Anil Gupta, who has significant experience in the field of contract mining for overburden removal, blasting, site preparation etc. as well as logistics business. The company has been involved in cargo handling business from 2016. It has a track record of satisfactorily serving its clients.

Presence of price variation clause in the logistics contracts to protect the segment's profitability – The company commenced cargo handling operation at berth number 13 of Haldia Dock Complex in 2016 and the contract is valid till 2026. The cargo handling charges factor in the price variation of the input costs (wages and fuel charges). The charges remain linked to the benchmark indices and are revised at regular intervals. The presence of the price variation clause in the contract largely protects the profitability of the company. Profitability of the IWAI contract, which has commenced recently, is also expected to remain shielded with price variation clauses.

Contract from IWAI and rock phosphate mining venture would diversify revenue stream, albeit delay in commencement of operation – The company won the long-term contract from IWAI in December 2021 for operating the multimodal terminal at Haldia, West Bengal, through IMHPL, a special-purpose vehicle (SPV) wherein INRPL holds an equity stake of 60% and the balance 40% stake is held by the promoters. The operations under the contract have commenced in March 2026 after a significant delay in getting handover of the terminal from IWAI due to dredging operations. Besides, INRPL has recently been selected by WBMDTC as a joint venture partner to undertake rock phosphate mining operation in a mine located at Beldih in Purulia, which has been allotted to WBMDTC by the West Bengal Government. The name of the JV is Bengal IRC Rock Phosphate Limited. Regulatory approvals for the mine are yet to be obtained. While the IWAI contract has commenced, the operationalisation of the rock phosphate mine will take some time. However, the IWAI and the rock phosphate mining contracts would augment revenues and cash flows, going forward.

Conservative capital structure and comfortable debt coverage metrics – Limited debt level vis-a-vis a healthy tangible net worth led to a conservative capital structure of the company, historically. The company's TOL/TNW stood at 0.1 times as on March 31, 2025. The debt coverage metrics remained healthy, as reflected by interest coverage and total debt/OPBDITA of 17.5 times and 0.1 times in FY2025 vis-à-vis 11.5 times and 0.7 times in FY2024, respectively. The company's DSCR remained comfortable at more than 2 times over the last four fiscals on the back of limited debt repayment obligation.

Credit challenges

Difficulties in ramping up black stone mining output restricting revenue growth – The company has mining contracts for a clay mine and two black stone mines in Birbhum, West Bengal, from West Bengal Mineral Development and Trading Corporation Ltd. (WBMDTC). The company also won the contract for another black stone mine in Purulia, West Bengal, however, it has surrendered the same due to resistance from the local community. The operations of the clay mine commenced from January 2021, and the revenues from sales of clay have improved steadily in the recent years. However, the sales volume of black stone has not picked up due to land acquisition related issues, restricting INRPL's revenue growth. One of the black stone mines in Birbhum (Hatgacha) started operation from the end of FY2022. However, INRPL has been able to mine only on a small part of the overall land allocated by WBMDTC for the mine due to encroachment on the rest of the land. The operation of the mine has temporarily stopped in the current fiscal due to continuing disruptions caused by encroachment.

The second black stone mine in Birbhum (Jethia) has not yet commenced operation due to persisting issues related to land acquisition.

Cargo handling business volumes remain vulnerable to economic cycles, export-import volumes and operational challenges related to a riverine port – The company’s cargo handling operation remains exposed to vulnerability of the end-user industries to economic cycles. The scale of the cargo handling business also remains vulnerable to factors like foreign exchange rate fluctuation, changes in duty structure, government policies, customers’ preference on port selection etc., which impact export and import volumes. Being a riverine port, Haldia Dock Complex requires periodic dredging to maintain its draft and navigability and is dependent on the Central Government’s support for the same. Thus, continued support for dredging remains critical for operations and any reduction in support may have an adverse impact on operations.

Modest ROCE; sizeable investment in properties and Group companies affected overall returns – The company has a significant financial exposure in the form of investments, loans and advances to the Group companies and sizeable investments in properties without commensurate returns, negatively impacting the overall returns on its capital employed. Consequently, INRPL’s ROCE remained low in the recent years and stood at 7.0% in FY2025 vis-à-vis 8.3% in FY2024.

Liquidity position: Adequate

INRPL’s liquidity position is adequate. The company’s cash flow from operations improved in FY2025, however, the retained cash flow moderated to some extent to Rs. 5.5 crore in FY2025 from Rs. 6.6 crore in FY2024 as a gain of Rs. 4.4 crore from the sale of a plot supported the retained cash flow in FY2024. Both cash flow from operations and retained cash flow are expected to improve by around Rs. 2 crore in FY2026, supported by improved operational performance. The company’s capex remained low at Rs. 0.9 crore in FY2025 and is expected to remain in the range of Rs. 1-2 crore annually in the medium term. In the current fiscal, the company has repaid the residual long-term debt of around Rs. 0.2 crore, and there are no plans for fresh borrowing in the near term. Investments in properties and loans to Group entities may increase to some extent. However, INRPL has adequate cash and fixed deposits (around Rs. 7 crore as on March 31, 2025) and its utilisation of the fund-based working capital limit remained nominal/negative in recent months (though the limit remains low at Rs. 1 crore only), which are like to support INRPL’s liquidity position.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if the company’s scale of operations improves significantly with healthy profit margins and rise in ROCE on a sustained basis.

Negative factors – Pressure on the ratings will emanate from any significant deterioration in profits and cash accruals of the company and/or weakening of its liquidity position due to any significant unanticipated debt-funded capex or a sizeable incremental financial exposure to Group entities.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Mining
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of INRPL along with a subsidiary enlisted in Annexure II.

About the company

Incorporated in August 2002, INRPL is involved in cargo handling (loading/unloading) at Haldia Dock Complex and mining of clay (China clay and fire clay) and black stone in Birbhum, West Bengal. The company had also been involved in share trading earlier, however, the same was discontinued in FY2023. In December 2021, INRPL secured a long-term contract from IWAJ for operating the multimodal terminal at Haldia, for which the operation has commenced in March 2026. INRPL has formed a special-purpose vehicle named IRC Multimodal Haldia Private Limited (IMHPL) through which the contract will be executed. INRPL holds a 60% stake in IMHPL, and the balance 40% is held by the promoters. INRPL has also formed a JV named Bengal IRC Rock Phosphate Limited, with a 74:26 ownership ratio between INRPL and WBMDTC as the latter has selected INRPL as its partner to develop and operate a rock phosphate mine located in Purulia, West Bengal. Regulatory clearances for the mine are yet to be received.

Key financial indicators (audited)

INRPL – Consolidated	FY2024	FY2025
Operating income	44.4	47.6
PAT	6.9	5.1
OPBDIT/OI	10.6%	16.4%
PAT/OI	15.6%	10.8%
Total outside liabilities/Tangible net worth (times)	0.2	0.1
Total debt/OPBDIT (times)	0.7	0.1
Interest coverage (times)	11.5	17.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Mar 26, 2026	Date & rating in FY2025		Date & rating in FY2024		Date & rating in FY2023	
				Date	Rating	Date	Rating	Date	Rating
Term Loan	Long Term	-	-	31-Dec-24	[ICRA]BBB-(Stable)	-	-	-	-
Cash Credit	Long Term	1.00	[ICRA]BBB-(Stable)	31-Dec-24	[ICRA]BBB-(Stable)	27-Sep-23	[ICRA]BBB-(Stable)	27-Jun-22	[ICRA]BBB-(Stable)
Bank Guarantee	Long Term/Short Term	29.00	[ICRA]BBB-(Stable)/[ICRA]A3	31-Dec-24	[ICRA]BBB-(Stable)/[ICRA]A3	27-Sep-23	[ICRA]BBB-(Stable)/[ICRA]A3	27-Jun-22	[ICRA]BBB-(Stable)/[ICRA]A3
Unallocated Limit	Long Term	6.00	[ICRA]BBB-(Stable)	31-Dec-24	[ICRA]BBB-(Stable)	27-Sep-23	[ICRA]BBB-(Stable)	27-Jun-22	[ICRA]BBB-(Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund Based - Cash Credit	Simple
Long Term/ Short Term – Non-Fund Based - Bank Guarantee	Simple
Long term – Unallocated limit	Not applicable

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	Cash Credit	NA	NA	NA	1.00	[ICRA]BBB- (Stable)
NA	Bank Guarantee	NA	NA	NA	29.00	[ICRA]BBB- (Stable)/ [ICRA]A3
NA	Unallocated Limit	NA	NA	NA	6.00	[ICRA]BBB- (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	INRPL's Ownership	Consolidation Approach
IRC Multimodal Haldia Private Limited	60.00%	Full Consolidation

Source: Company

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