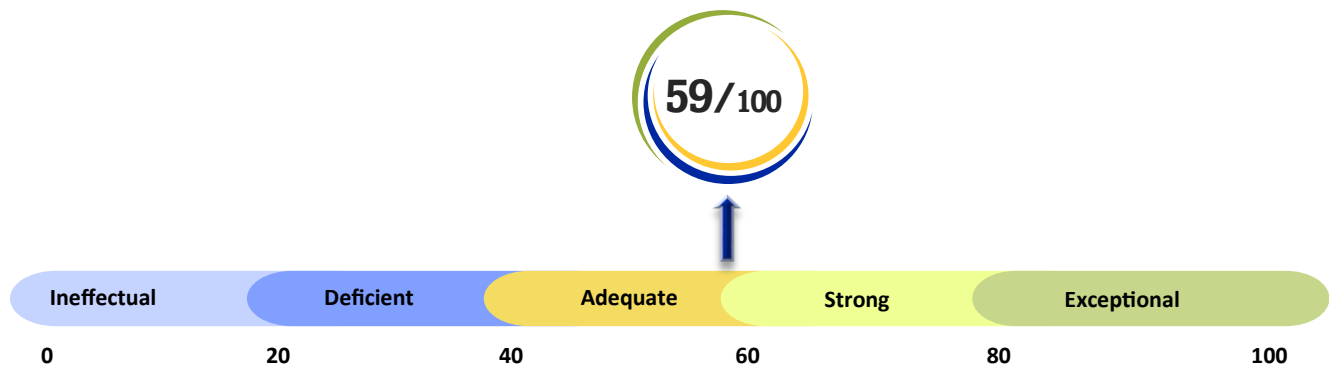


October 17, 2025

NLC India Limited: Update on Material Event



Summary of rating action

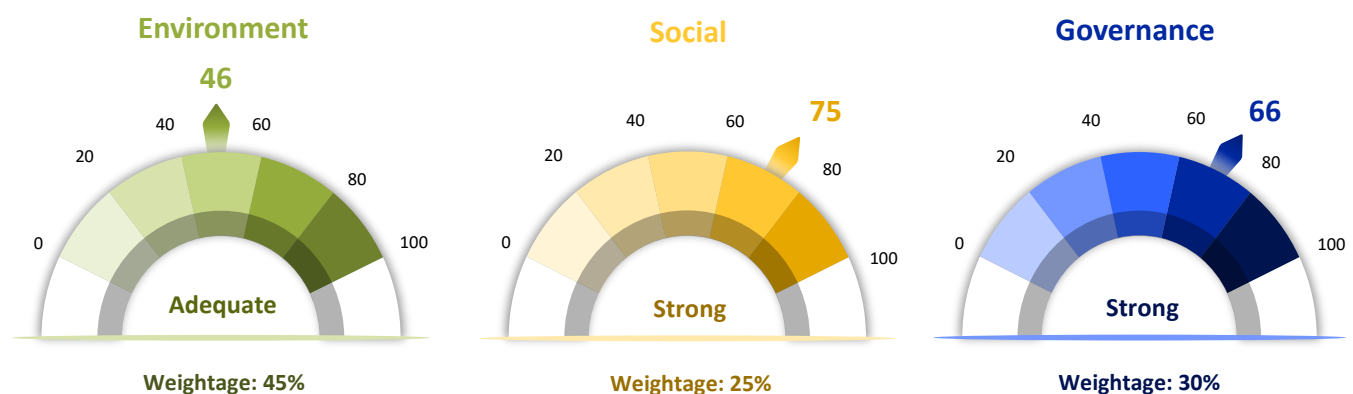
NLC India Limited	Previous Score	Rating Symbol	Current Score	Rating Symbol	Rating Movement
ESG Combined Rating	59	Adequate	59	Adequate	-

Material Event

NLC India Limited (NLCIL) published its Business Responsibility and Sustainability Report (BRSR) for FY2025 on September 04, 2025, alongside its integrated annual report.

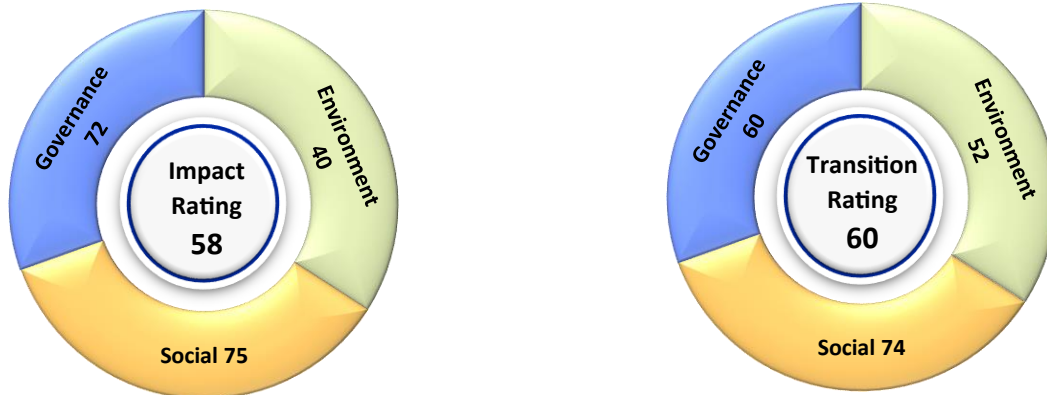
Impact of Material Event

ICRA ESG's assessment of NLCIL's combined ESG rating, initially released via press release on April 24, 2025, was based on disclosures from FY2024. NLCIL's new BRSR follows a consolidated reporting boundary which now also includes its subsidiaries - NLC Tamil Nadu Power Limited (NTPL), Neyveli Uttar Pradesh Power Limited (NUPPL), NLC India Green Energy Limited (NIGEL) and NLC India Renewables Limited (NIRL). On evaluating the new disclosures and latest updates, the ratings stand at ESG Combined Rating of **59 (Adequate)**¹.



¹ Movement in pillar wise scores mentioned in Annexure -Ratings History.

Components of NLCIL's ESG Combined Rating



Rationale

The ESG Combined Rating assigned to NLCIL remains unchanged at **59 (Adequate)** with the **Impact Rating at 58 (Moderate)** and **Transition Rating at 60 (Progressing)**, reflecting NLCIL's ongoing ESG integration and steady transition journey.

The combined rating reflects NLCIL's progress towards lessening the high environmental impact with the adoption of various technology intensive measures over the years supported by verified disclosures, established policies, and control mechanisms with an increasing focus on green energy landscape. In FY2025, NLCIL revised its ESG reporting boundary from standalone to consolidated operations to enhance accuracy of its disclosures and align with reporting standards. The updated scope now includes two key subsidiaries—NTPL and NUPPL—which are actively contributing to the company's operational and sustainability footprint. Other subsidiaries have been recently incorporated and are yet to commence full-scale operations. While the parent entity continues to anchor the overall ESG profile, the inclusion of NTPL and NUPPL enhances the granularity and relevance of environmental and governance disclosures. The social profile remains unaffected, as the previous reporting boundary already encompassed workforce-related data from consolidated operations. The change in reporting disclosures and obtaining third-party assurance reflects NLCIL's intent to strengthen ESG transparency and align with Securities and Exchange Board of India's (SEBI) disclosure requirements.

NLCIL's developing environment transition profile factors in the marginal decline in emission intensity over the preceding five years and plans of expanding renewable energy (RE) capacity with a target to reach 50% capacity by 2030, alongside ongoing efforts in achieving energy efficiency, water management, biodiversity conservation and responsible waste management. These efforts have helped to reduce the high environmental impact to a certain degree. On the social front, the company has established employee well-being and community welfare programmes over the years resulting in a good social impact; however, the same has been constrained by the concerning health and safety incidents. The progressing social transition score factors in the entity's efforts targeted at improving employee well-being but limited by the rise in safety incidents over the years. The company's focus remains on expanding training initiatives across segments and a consistently growing Corporate Social Responsibility (CSR) programme. NLCIL's governance profile factors in the strategic control of the Government as the entity is subjected to stricter governance regulations. This is limited by the need for higher independence and diversity among the board. In FY2025, NLCIL enhanced the credibility of its ESG disclosures by obtaining reasonable assurance from an independent third-party assurance provider.

While the company has commenced its journey on sustainability governance, it remains in the nascent stages on various accounts, including implementation of climate risk assessment frameworks and directed commitment towards dedicated environmental and social targets.



Environment

46 (Adequate)

NLCIL is in the developing phase of environmental transition, working towards reducing its environmental impact despite having a significant footprint, thus the combined 'E' score of **46 (Adequate)** remains unchanged. This reflects the entity's adequate efforts towards its emission reduction journey, including planned ones, towards overall environmental sustainability. The shift in reporting boundary to consolidated operations did not have a material impact on the environmental profile, considering the limited business and size of NLCIL's subsidiaries and associates.

NLCIL's environmental impact rating of **40 (Moderate)** remained unchanged reflecting its high impact on the environment, primarily related to energy, emissions and water consumption. NLCIL's energy intensity is high at 19.7 million MJ/Rs. crore. At present, through its RE infrastructure, the company generates approximately 2,094 GWh of renewable power annually, contributing to about 8% of the total power generation in FY2025. The company has made efforts to reduce its energy usage through efficiency measures like equipment and power optimisation and gradual adoption of electric vehicles (EVs). Similarly, green-house gas (GHG) emission intensity remains high at 1,971 tCO₂e/Rs. crore despite efforts like using advanced mining technologies such as surface miners, eliminating drilling, blasting and crushing operations, and adopting electrically operated Bucket Wheel Excavators (BWE) and conveyor belts. While NLCIL has no defined targets to reduce its GHG emissions, it is in the process of drafting a comprehensive strategy in line with the Science Based Targets initiative (SBTi) Net Zero standard and collecting data for evaluating its Scope 3 emissions, whose progress will be key for its transition profile.

Efforts to ensure water sustainability include groundwater recharge, sewage treatment plants and rainwater harvesting mechanisms. This improved the water recycling level to 60% in FY2025. Despite a 15% decline since the previous year, the water consumption intensity remained high and stood at 6,755 m³/Rs. crore of revenue, primarily attributable to expansion of NLCIL's mines in recent years.

NLCIL's waste management profile witnessed material change with improved disclosures. Consequently, it reported significantly higher waste after separate disclosure of fly ash amounting to 3,512,207 tonnes, factored into the environmental impact in the current evaluation. Nevertheless, 97% of the waste was disposed of through re-use, recycling and other disposal methods including converting organic waste into compost, recycling plastic waste for construction, and responsibly disposing of hazardous materials through certified centres. NLCIL operates in ecologically sensitive areas, and to mitigate its impact on biodiversity, it actively engages in preservation efforts by restoring mining-affected areas through bio-reclamation using indigenous species. The company has also been developing green belts and eco-habitats around its operational areas to mitigate the impact of its operations on the surrounding environment. It has also participated in the National Green Credit Programme, taking advantage of its targeted afforestation efforts and plans to gain credits from the scheme. However, no focused biodiversity assessments have been conducted to understand the exact extent of species loss and other impacts. The company makes efforts to follow sustainable and responsible procurement by encouraging value chain partners to adopt eco-efficient practices, promoting sustainable behaviour, and carrying out capacity building for value chain and supplier ESG data collection. ICRA ESG also notes that the bulk of the resources utilised by NLCIL are obtained by following environmentally responsible methods, mainly from the company's own mines, which are ISO certified.

ICRA ESG has noted the recent penalties levied by the National Green Tribunal (NGT) and the Tamil Nadu Pollution Control Board for violations related to air and water pollution, improper waste management, and failure to control emissions. ICRA ESG has also noted that NLCIL has contested these orders and continues to monitor the developments.

NLCIL's environment transition rating of **52 (Developing)** improved marginally from **51 (Developing)**. This reflects its developing approach towards achieving its sustainability goals, as evidenced by its RE expansion plans and progress across other environmental indicators. Its energy intensity has reduced by about 28% from 27.4 million MJ/Rs. crore in FY2022 to 19.7 million MJ/Rs. crore in FY2025 (10% reduction from 21.8 million MJ/Rs. crore in FY2024) on the back of various energy optimisation initiatives, including usage of variable voltage variable frequency (VVVF) drives, dynamic load conveyor systems, decline in pressure of conveying air compressors and power optimisation in mills.

Owing to the under-construction status of most of RE projects and recent functional issues encountered in its solar and wind plants, NLCIL witnessed a slight decline in its renewable power contribution to overall energy mix from 11% in FY2021 to 8% in FY2025 (10% in FY2024). Going forward, the company plans to increase its RE capacity to 50% of its total installed capacity by 2030, without further expanding its thermal capacities. NLCIL's strong pipeline of RE projects are expected to create significant positive impacts in the coming years. Also, the Government of India, through the Cabinet Committee on Economic Affairs (CCEA), recently approved an investment of Rs. 7,000 crore in NLCIL's subsidiary, NLC India Renewables Limited (NIRL), exempting it from Navratna investment limits. Towards energy efficiency, NLCIL is taking remedial measures such as turbine overhauls to improve heat rate, Rotating-Plate Regenerative Air Preheater (RAPH) basket cleaning and seal replacement, arresting air ingress in boilers in its power generation operations, and replacing conventional lamps with LED lamps.

The company's Scope 1 and 2 emissions intensity marginally reduced from 2,210 tCO₂e/Rs. crore in FY2021 to 1,971 tCO₂e/Rs. crore in FY2025 (11% decline from 2,208 tCO₂e/ Rs. crore in FY2024), while SO_x + NO_x intensity reduced from 14,139 kg/Rs. crore to 8,511 kg/Rs. crore during the same period (39% decline from 13,842.3 kg/ Rs. crore in FY2024). The company has implemented techniques like selective catalytic reduction, flue gas desulfurisation, gasification technologies, and electrostatic precipitators to bring down emissions. Water consumption intensity declined by 5% between FY2021 and FY2025 (15% decline from FY2024) with improvement in water recycling proportion supported by better disclosure practices. Also, NLCIL has entered collaborations to develop and evaluate electrochemical carbon capture technology, aiming to reduce its carbon footprint through innovative research and real-time performance assessments in the coming years.

Over the years, NLCIL has improved its waste management techniques, which have enabled it to maintain modest unutilised waste generation (3% in FY2025). The company is also in the process of implementing its Zero Liquid Discharge (ZLD) coverage. It has signed a Memorandum of Understanding (MoU) with innovators for prototype projects to develop membrane-less, chemical-free, plug-and-play water and wastewater treatment by utilising advanced filtration techniques that are expected to reduce costs and environmental hazards.

NLCIL's emission reduction pace, Scope 3 emission tracking, and taking formal targets and commitments, are areas that require further progress. ICRA ESG has noted that NLCIL's Scope 1 and 2 emissions and output-based intensity, has increased during FY2021–FY2025. Additionally, NLCIL neither holds a Zero Waste to Landfill certification nor has it established targets towards waste reduction or water conservation. Over the past five years, NLCIL's efforts towards the adoption of sustainable practices have yielded results in reducing the impact of its operations to a certain extent, but it still has a substantial path ahead before reaching a fully transitioned state.



Social

75 (Strong)

The combined social score was revised from **76(Strong)** to **75 (Strong)** resulting from the change in social impact score from **77(Good)** to **75(Good)** and revision in the social transition score from **75(Progressing)** to **74(Progressing)**. The change in reporting boundary from standalone to consolidated operations in FY2025 did not materially affect NLCIL's social profile, since as the flagship company, NLCIL's payroll already included employees from its key subsidiaries. However, the overall social performance saw a marginal decline, primarily due to a continuation of health and safety related incidents and an uptick in employee attrition. The score, however, factors the gains made in narrowing the wage gap, resulting in a good social impact score. The score was further supported by the comprehensive employee welfare programmes and benefits, with a focus on human rights-related aspects and its efforts in community engagement through well-rounded CSR initiatives.

NLCIL's social impact score of **75 (Good)** highlights its ability to maintain employee, business and community relationships. Established grievance redressal mechanisms, employee wellness programmes, as well as a focus on career development are key components of the company's approach to workforce welfare and development. Apart from medical and insurance coverage, NLCIL offers career progression programmes, scholarships for employees' children, and mental health-focused initiatives. Also, the improvement in female-to-male wage gap from 0.6 in FY2024 to 1.1 in FY2025 contributed towards the improvement of the score. The company has adopted the ISO 45001 standard for maintaining occupational health and safety within its premises. The attrition for permanent employees increased to 12% in FY2025 from 2% in FY2024 mainly due to corrections in the calculation methodology.

The spending on health and safety parameters remained marginal (around Rs. 6 crore) compared to the size of the entity's business operations, and recent fatal incidents combined with cases of other health and safety incidents remain a cause of concern. The company has a high procurement rate of about 55% from micro, small and medium enterprises (MSMEs) resulting in a favourable commitment to support small businesses and foster economic growth.

NLCIL's social transition rating of **74 (Progressing)** revised from **75 (Progressing)** reflects its ongoing efforts to address social challenges through its improving employee well-being and development mechanisms and deepening community initiatives. Over the years, the company has made efforts to implement employee feedback and enhance its human resources policies, in addition to placing emphasis on the health, safety, well-being and mental health of its employees. NLCIL's social transition profile showcases a commitment towards employee welfare, human rights, training, CSR, and operational impacts, though there are areas that need improvement. In health and safety, NLCIL achieved a significant reduction in fatalities and high-consequence work-related injuries between FY2021 and FY2025, despite a slight rise in fatalities and lost-time injury frequency rate (LTIFR) compared to the previous year. NLCIL has implemented measures, including rigorous inspections of hazard prevention systems, employee empowerment, free medical facilities, ISO 45001:2018 adoption, fire safety programmes and regular safety audits over the years, which has led to a decline in such incidents.

NLCIL's human rights framework includes comprehensive policies, regular training and effective grievance redressal mechanisms, ensuring a culture of respect and inclusiveness. However, the absence of specific human rights-related targets limits the effectiveness of these initiatives. Prevention of Sexual Harassment (POSH) complaints are in modest numbers, increased from two complaints in FY2021 to four in FY2025; however, the company has the track record of complete resolution of complaints each year. Training and development has been a focus area over the years with mandatory four-day training for all employees resulting in decent coverage along with an increase in training hours per employee from eight training hours per employee in FY2021 to about 34 training hours per employee in FY2025.

Further, NLCIL has recently enhanced its IT security framework to improve data privacy and cybersecurity following a recent malware attack on company server, leading to better responsible business practice. Also, regular assessments of supply chain partners ensure compliance with high standards. However, targeted assessments for human rights adherence in the value chain are needed.

The company's CSR efforts cover a wide range of focus areas, with significant investments in healthcare, education and community development. The CSR budget utilisation has remained above 100% in the last five years, ending in FY2025. With a focus on various causes for its CSR activities, NLCIL has impacted 7,79,125 beneficiaries with its community driven projects. Most of its spending is towards enabling facilities for clean drinking water for local communities. It has also regularly carried out impact assessments of its CSR projects over the years. However, minimal spending on environmental sustainability, low coverage in aspirational districts and limited impact on job creation in rural and semi-urban areas indicate room for improvement.



Governance

66 (Strong)

NLCIL's combined governance score changed from **65 (Strong)** to **66 (Strong)** reflecting an established framework including focus on ESG risks, opportunities, transparency and disclosures. The change in ESG combined score resulted from a marginal increase in governance impact score from **70(Good)** to **72(Good)** with governance transition score remaining unchanged at **60(Progressing)**. The shift in reporting boundary to consolidated operations led to a broader governance assessment, encompassing the board and senior management structures of both the parent entity and its active subsidiaries.

The governance impact score of **72 (Good)** reflects NLCIL's effective board performance and the diverse expertise of key board positions. Being a Government entity, NLCIL is subjected to regular checks by a dedicated vigilance department and the Comptroller & Auditor General (CAG), along with being subjected to the Right to Information (RTI) Act and a continued oversight by the associated central ministry and Government departments, ensuring transparency and accountability. NLCIL has reliable financial reporting and maintains transparency through quarterly investor calls. The board is composed of many seasoned professionals with extensive experience in energy, finance, human resources, and project management, led by the Chairman and Managing Director, Mr. M. Prasanna Kumar. The introduction of third-party reasonable assurance to the ESG profile further added credibility to NLCIL's ESG disclosures for FY2025.

However, there is a need for greater gender diversity in the board and senior management level. With no woman director at NLCIL's board (owing to the demise of Dr. Beela Venkatesan) and the lack of any female Key Managerial Personnel (KMP) in the standalone operations, focus is needed in this area. However, the presence of a single woman director and two female KMPs in NLCIRL in addition to one female KMP in NTPL lends comfort with better gender diversity in the consolidated operations. Additionally, the board does not fully meet the statutory requirement for independent directors, as only one-third of the directors are independent at NLCIL and there are no independent directors among the subsidiaries and associates. ICRA ESG has noted the company's diligence in seeking regular requisitions on appointment of independent and women directors to the Ministry of Coal after the recent fines imposed by stock exchanges for non-compliance of Listing Obligations and Disclosure Requirements (LODR) related to minimum strength of independent and women directors. The entity earlier appointed three independent directors on its board, in response to the non-compliance reported by various authorities. ICRA ESG notes that these appointments are carried out through Government nominations. However, the expertise and involvement of directors will remain a crucial aspect for board performance, going forward.

The company has established an ESG Committee that reports to the board of directors, demonstrating a commitment to sustainability governance. Also, the disclosures and assurance profile saw an improvement as the entity obtained reasonable assurance for its disclosures of FY2025.

The company allocates significant resources to innovation through the Center for Advanced Research and Development (CARD) and has set ambitious environmental targets, including achieving net-zero emissions by 2070 in line with the national goals and expanding RE capacity to 10.1 GW by 2030. While NLCIL is not a signatory to the UN Global Compact (UNGC) and does not have a GHG reduction target aligned with the Paris Agreement 1.5 dc pathway, it is drafting a comprehensive strategy in this regard, in addition to its alignment with the United Nations Sustainable Development Goals (UN SDGs) 7, 9, 12, 13 and 15.

NLCIL's governance transition rating of **60 (Progressing)** highlights its comprehensive approach to sustainability, with a focus on risk management, sustainable product development, and transparency.

NLCIL is working on carrying out physical risk assessments at its mining sites, which are prone to cyclones and floods, to mitigate these risks. However, the company has not conducted dedicated climate risk assessments for physical and transition risks aligned with various climate scenarios, leaving it uncertain about the vulnerabilities related to climate change. ICRA ESG notes that groundwork on emissions reduction and RE adoption is in progress, and the company has also identified several climate-related opportunities, while exploring green hydrogen and battery energy storage solutions, emphasising sustainable operations. NLCIL has demonstrated progress in adopting international standards and engaging in voluntary reporting by following the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) standards. Sustainability-related discussions are common at the board meeting level and there have been no major dissents in these meetings in recent years.

However, the absence of a climate risk assessment framework, lower share of revenue generated from climate-related opportunities like renewable power generation, low board and senior management diversity and independence, combined with external validation of long-term commitments, remain shortcomings.

Key Rating Drivers



STRENGTHS

- Strategic commitment to increase RE capacity:** NLCIL is in the process of increasing its RE capacity to 10 GW by 2030 from 1.4 GW in FY2025 and to have 50% of the total installed capacity from RE, demonstrating a strong commitment to improving its environmental footprint. NLCIL is the first Central Public Sector Enterprise (CPSE) to achieve 1 GW RE capacity with several key projects in various stages of implementation as part of its RE expansion plans. The progress of the RE capacity commissioning and ramp up is a key rating monitorable.
- Comprehensive employee welfare programmes with focus on inclusion:** NLCIL has well-established employee welfare policies and active human rights compliance mechanisms with a favourable female-to-male wage gap and a moderate attrition rate of 12%, as reported in FY2025 (earlier 2.4% on a standalone basis in FY2024). Employee benefits include adequate insurance coverage, housing, transport facilities and healthcare support in addition to maternity, paternity, and childcare leave. Additionally, NLCIL employs 226 differently abled persons and has an established, tailored manual designed to facilitate equal opportunities for all. Currently, women represent 8% of its permanent employee base, partly owing to the high-risk nature of its work, particularly with respect to mining; however, the company aims to increase this proportion across other segments through various initiatives. This commitment towards inclusivity is further supported by Government guidelines for recruitment, which enable involvement of underrepresented communities.
- Well-rounded CSR programmes with impact assessment:** The community development initiatives at NLCIL were initiated in 1998 with a focus on addressing local issues in consultation with the local communities. Its CSR focus areas include clean water, healthcare, sanitation, education, gender equality, preservation of national heritage, art and culture, among others. During FY2015–FY2025, NLCIL spent Rs. 569 crore on CSR with its budget utilisation remaining above 100% between FY2020 and FY2025. The number of beneficiaries impacted by CSR initiatives increased by 44% from 5,40,095 in FY2024 to 7,79,125 in FY2025. NLCIL carries out impact assessments of its CSR projects at regular intervals and employs the Organization for Economic Cooperation and Development's Development Assistance Committee (OECD DAC) framework for evaluating the impact of NLCIL's CSR projects.
- Effective board oversight ensuring transparency:** NLCIL's governance structures and mechanisms reflect effective board oversight and stringent transparency measures considering the control of Government. Key committees, including a dedicated ESG committee, in addition to audit, nomination and remuneration, and CSR committees, provide focused oversight on critical areas. There is an onsite vigilance unit to safeguard against corruption and misconduct, and its high value tenders are as per the Integrity Pact Programme. NLCIL adopted the COSO Integrated Framework and ISO 31000:2018, which support strategic risk management. Furthermore, the presence of RegTech for the last five years has supported its internal control and risk management framework, which is regularly audited and reviewed, ensuring compliance and effective risk mitigation.

WEAKNESSES



- High environmental impact due to mining and power generation activities:** As a hard-to-abate industry, NLCIL's reliance on mining and thermal power generation significantly impacts the environment due to high energy consumption, emissions, and water usage. However, NLCIL's investment in improved technologies and commitment to expand its renewable power capacity has contributed to some reduction in impact over the years. The transition to a consolidated reporting boundary did not materially alter the environmental profile, given the limited scale and operational footprint of NLCIL's subsidiaries and associates.
- Absence of targets aligned with international standards and lack of structured climate risk assessments:** While NLCIL has taken up internal commitments to increase its renewable power capacity, it is yet to take specific, measurable targets across environmental parameters aligned to international frameworks. Also, the company is yet to conduct a structured climate risk assessment using scenario analysis to understand the extent of impact due to climate change in its operations.
- Scope for improvement in board independence, gender diversity and data assurance:** The current composition of the company's board of directors i.e., three independent directors and no woman director, presents an opportunity to enhance gender diversity and independence at the board level. ICRA ESG notes that being a CPSE, the Director and Chairperson appointments happen through the associated ministry/authority, and it has been able to appoint more independent directors recently. The professional background, experience and skill profile of the directors being appointed is crucial for improving NLCIL's governance profile.
- Prevalent vulnerabilities in health and safety of the workforce:** Considering the nature of the industry, NLCIL is prone to health and safety related incidents. Over the years, the company has been implementing elaborate measures to improve its health and safety performance. Consequently, there has been a marked decline since FY2021 (22 fatalities) to four in FY2025 (up from three in FY2024). The efficacy of NLCIL's safety protocols, emergency response plans and regular maintenance checks, thus remains crucial in minimising such incidents, given the inherent risks in the operations.

Rating Sensitivities



Positive Factors:



ICRA ESG could upgrade NLCIL's rating/score if there is a substantial reduction in its energy intensity. Also, a notable rise in its RE capacity, decline in energy, emissions or water consumption intensity could positively impact the score. Additionally, development of a climate risk assessment framework, taking up environmental targets validated by SBTi or other international bodies, concentrated efforts to implement value chain sustainability, including biodiversity and expanding CSR initiatives in aspirational districts combined with higher job creation in rural areas, would be positive rating factors. Enhancing women's diversity at the board and KMP levels, along with more independent directors, would also favourably influence the ratings.



Negative Factors:



ICRA ESG could downgrade NLCIL's rating/score if there is slower than expected progress in expanding the RE capacity or other environmental impacts. Furthermore, any deviation from the current high standards of environmental disclosure and social welfare initiatives could negatively impact the ratings. A substantial increase in safety incidents, cyber security incidents, weakening of board structure, instances of severe fines and penalties levied by regulatory bodies or rise in rehabilitation and resettlement litigations, or any negative outcome arising out of ongoing litigations that could affect NLCIL's operations and value chain would also be negative rating factors.

Analytical Approach

Analytical Approach	Comments
Rating methodology	ESG Combined Rating Methodology: ESG Impact Rating Methodology , ESG Transition Rating Methodology While the impact rating is based on the latest information, including FY2025 disclosures, the transition rating considers performance over the past few years, future action plans and associated progress.
Rating scale	ESG Rating Scale
Last review date	April 24, 2025
Data availability	Good
Rating boundaries	For arriving at the rating, ICRA ESG has considered the consolidated operations of the company, including its subsidiaries, NTPL, NUPPL, NIGEL and NIRL. ICRA ESG has further taken into consideration the relevant policies, standards and ESG relevant information shared by NLCIL, along with discussions with its management during the client meeting.

About the Company

NLC India Limited, established in 1956, is a Navratna Public Sector Enterprise under the administrative control of the Ministry of Coal, Government of India. With the Government holding a 72.2% stake as of March 2025, NLCIL plays a crucial role in India's energy sector through its integrated operations in lignite mining and power generation. The company operates four opencast lignite mines in Tamil Nadu and Rajasthan with a combined capacity of 30.1 million tonnes per annum (MTPA), and coal mining operations in Odisha and Jharkhand, bringing its total mining capacity to 50.1 MTPA. On the power generation front, NLCIL has an installed thermal capacity of 3,640 MW and a RE portfolio of 1,431 MW, comprising solar and wind projects across multiple states. In terms of financial performance, in FY2025 the company reported a standalone revenue of Rs. 10,285.8 crore (Rs. 10,520.3 crore in FY2024) and a profit after tax of Rs. 1,899.9 crore (Rs. 1,846.6 crore in FY2024), with a net worth of Rs. 17,465.2 crore (Rs. 15,993.9 crore in FY2024). On a consolidated basis, in FY2025, NLCIL's revenue stood at Rs. 15,283.0 crore (Rs. 13,001.3 crore in FY2024), with a profit after tax of Rs. 2,713.6 crore (Rs. 1,867.6 crore in FY2024) and a net worth of Rs. 18,723.0 crore (Rs. 16,531.0 crore in FY2024). Aligned with India's clean energy goals and the Department of Public Enterprises' guidelines, NLCIL aims to scale its total RE capacity to 10.1 GW by FY2030.

Key ESG Indicators

Parameters	Unit	FY 2024 ²	FY2025
Environment indicators			
Energy intensity	Million MJ/Rs. crore	21.8	19.7
Renewable energy	%	10%	8%
GHG emission intensity	tCO ₂ e/Rs. crore	2,208.2	1,968.2
Water consumption intensity	m ³ /Rs. crore	7,979.3	6,754.9
Waste recycling	%	100%	97%
Social indicators*			
No. of fatalities	Number	3	4
LTIFR	Number	0.1	0.5
Employee turnover	%	2.4%	12.2% ³
POSH complaints reported & resolved	Number	3	4
Female-to-male wage gap	Ratio	0.6	1.1
CSR inhouse volunteers	Yes/No	Yes	Yes
Governance indicators			
Presence of RegTech system	Yes/No	Yes	Yes
% of women in BOD	%	10%	4%
% of women in KMP	%	Nil	20%
Average attendance in board meetings	%	92%	99%

Source: Company, ICRA ESG analysis

² FY2024 disclosures were on standalone basis; *Change in reporting boundary from standalone to consolidated operations in FY2025 did not materially affect NLCIL's social profile, as the flagship company - NLCIL's payroll already included employees from its key subsidiaries.

³ NLCIL modified the review methodology of calculating the turnover rate for permanent employees which led to a change in attrition rate to 12.2% in FY2025 from 2.4% in FY2024.

Common Directors (if any): None

Source of Information

While assigning the ratings, ICRA ESG has considered the annual reports, BRSR report, and ESG Report of the company along with other policies. ICRA ESG has also considered additional information and comments provided by the company through management discussions.

Status of non-cooperation with previous ERP: Not applicable

Rating history for past three years

S. No.	Parameter	Current Rating		Previous Rating	
		Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023
		Oct 17, 2025	April 24, 2025	-	-
1	ESG Combined Rating	59, Adequate	59, Adequate	-	-
1.1	Environment	46, Adequate	46, Adequate		
1.2	Social	75, Strong	76, Strong		
1.3	Governance	66, Strong	65, Strong		
2	ESG Impact Rating	58, Moderate	58, Moderate		
2.1	Environment	40, Moderate	40, Moderate		
2.2	Social	75, Good	77, Good		
2.3	Governance	72, Good	70, Good		
3	ESG Transition Rating	60, Progressing	60, Progressing		
3.1	Environment	52, Developing	51, Developing		
3.2	Social	74, Progressing	75, Progressing		
3.3	Governance	60, Progressing	60, Progressing		

Source: ICRA ESG

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About ICRA ESG Ratings Limited:

ICRA ESG Ratings Ltd (ICRA ESG), is a Category-I ESG Ratings Provider (ERP) licensed by the Securities and Exchange Board of India. ICRA ESG provides comprehensive ESG assessments, offering a holistic view of an entity's state and progress towards sustainability. Our approach covers not only the conventional metrics but also incorporates a nuanced evaluation of an entity's commitment to and transition towards sustainability. ICRA ESG is a wholly owned subsidiary of ICRA Limited (ICRA), one of India's leading Credit Rating Agencies, with a track record of over three decades. The ultimate parent company of international Credit Rating Agency Moody's Investors Service is the indirect largest shareholder of ICRA.

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