



# BARAK VALLEY CEMENTS LTD.

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**Ref: 2911/BVCL/2024-25**

**November 29, 2025**

**To**  
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**Scrip Code- 532916**  
**ISIN - INE139I01011**

**Scrip Code- BVCL**

**Sub: Revision of Credit Rating for Bank Loan Facilities of Rs. 39 Crore**

Dear Sir/Ma'am,

We are pleased to inform you that the Credit Ratings has revised its outlook on the long-term bank facilities of Barak Valley Cements Ltd (i.e. Our Company) to 'Stable' from 'Positive' and reaffirmed the rating at "Crisil BBB-" w.e.f. November 27, 2025.

A copy of the rating letter received from CRISIL Ratings is hereby attached for your perusal.

You are therefore requested to kindly take the same into your record and oblige.

Thanking You,

**For BARAK VALLEY CEMENTS LIMITED**

Preeti Bhatia  
(Company Secretary & Compliance Officer)

## Rating Rationale

November 27, 2025 | Mumbai

### Barak Valley Cements Limited

Rating outlook revised to 'Stable'; Rating Reaffirmed

#### Rating Action

Total Bank Loan Facilities Rated	Rs.39 Crore
Long Term Rating	Crisil BBB-/Stable (Outlook revised from 'Positive'; Rating Reaffirmed)

*Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to Annexure for Details of Instruments & Bank Facilities*

#### Detailed rationale

Crisil Ratings has revised its outlook on the long-term bank facilities of Barak Valley Cements Ltd (BVCL; a part of the Barak Valley group) to '**Stable**' from 'Positive' and reaffirmed the rating at '**Crisil BBB-**'.

The revision in outlook reflects subdued business risk performance of the group, driven by lower-than-anticipated scale of operations. Revenue dipped to Rs 207 crore in fiscal 2025, from Rs 232 crore in fiscal 2024, due to muted demand and hinderance in production because of technical issues with respect to power. Thus, net cash accrual declined to Rs 13.66 crore from Rs 16.09 crore. Furthermore, the group has undertaken a large, debt-funded capital expenditure (capex) of Rs 480 crore to set up a new cement manufacturing plant in the subsidiary--Valley Strong Cements (Assam) Ltd (VSCL). Timely completion of this project with no major cost overrun and sustenance of comfortable financial risk profile will remain monitorable.

The rating continues to reflect the extensive experience of its promoters in the cement industry along with established market position and healthy financial risk profile of the group. These strengths are partially offset by modest scale of operations, large working capital requirement and exposure to risk related to the ongoing debt-funded capex.

#### Analytical approach

Crisil Ratings had earlier evaluated the standalone business and financial risk profiles of BVCL. Crisil Ratings has revised its analytical approach and combined the business and financial risk profiles of BVCL and its wholly owned subsidiary (VSCL) due to the management's focus on the growth of the subsidiary and expected support from BVCL. The consolidated entity has been referred to herein as the Barak Valley group.

*Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

#### Key rating drivers - Strengths

##### Established market position and extensive experience of the promoters

Presence of over two and half decades in the cement industry has given the promoters a strong understanding of market dynamics and enabled them to establish the brand, Valley Strong Cement. The group mainly operates in north-eastern states of Mizoram, Manipur, Tripura, Assam and Meghalaya. Healthy market presence established over the years has led to nearly full utilisation of the current capacity.

##### Healthy financial risk profile

The capital structure is marked by low gearing of 0.27 time and total outside liabilities to adjusted networth ratio of 0.74 time as on March 31, 2025, aided by lower reliance on external debt. Debt protection metrics were also comfortable due to healthy profitability. Interest coverage is estimated at 4.18 times and net cash accrual to total debt ratio at 0.46 time for fiscal 2025.

#### Key rating drivers - Weaknesses

##### Modest scale of operations amidst intense competition

The cement industry has organised players with well-known brands and several local and unorganised entities catering to the regional market. The consequent intense competition may continue to constrain scalability, pricing power and profitability. Further, end-user segments such as real estate, construction and infrastructure are strongly correlated to economic cycles and tend to be cyclical in nature. An economic recession in the past has led to a slowdown in the construction sector, with several projects getting delayed or cancelled. BVCL has annual capacity of 3,30,000 tonne, which is fully utilised. Revenue was modest at Rs 207.18 crore in fiscal 2025. In the absence of any capex, capacity utilisation and revenue growth may remain modest.

##### Large working capital requirement

Gross current assets have been 122-153 days for the three fiscals ended March 31, 2025, driven by inventory (mainly limestone and coal) of 45-60 days and debtors of around 30 days. The working capital is partially supported by creditors of more than 60 days provided by suppliers.

### **Risks related to debt-funded capex**

The group is undertaking a capex for setting up a new cement manufacturing facility, with capacity of 1,200 tonne per day (TPD; for clinker) and 1,600 TPD (cement) in VSCL. The project will be completed in two phases and its total cost is Rs 480 crore. Despite this large, debt-funded capex, the capital structure of the group is expected to remain comfortable, with gearing and total outside liabilities to tangible network ratio below 1 time, supported by network of Rs 110 crore. Stabilisation of this capex with timely ramp up of operations will remain a key monitorable going forward.

### **Liquidity Adequate**

Bank limit utilisation was around 90% for the 12 months through October 2025. Cash accrual is projected at around Rs 17 crore per annum, against yearly debt obligation of less than Rs 4 crore over the medium term; the surplus cash will cushion liquidity. Current ratio stood at 1.18 times as on March 31, 2025. Unsecured loans from related parties also support liquidity.

### **Outlook Stable**

The Barak Valley group will continue to benefit from steady revenue growth and healthy capital structure.

### **Rating sensitivity factors**

#### **Upward factors**

- Strong revenue growth while maintaining moderate margin, leading to net cash accrual of more than Rs 20 crore
- Timely execution of capex with no major cost overrun
- Efficient working capital management with reduced dependency on external borrowing

#### **Downward factors**

- Significant decline in revenue or operating margin dropping lower than 8%, resulting in lower-than-expected net cash accrual
- Delay in completion of project or increased dependence on external borrowing, adversely impacting capital structure
- Sizeable stretch in the working capital cycle, weakening the financial risk profile

### **About the Barak Valley group**

BVCL, incorporated in April 1999, manufactures different grades of cement and markets its products under the brand--Valley Strong Cement. Its facility at Badarpur Ghat in Assam has total installed capacity of 1,000 TPD (for Cement) and 700 TPD (clinker). The company is listed on National Stock Exchange and Bombay Stock Exchange. Operations are managed by Mr Kamakhya Chamaria (vice chairman and managing director), Mr Mahendra Kumar Agarwal (vice chairman and non-executive director) and Mr Santosh Kumar Bajaj (director).

VSCL, established in 2009, was acquired by BVCL in 2011 (100% stake). VSCL is setting up a manufacturing plant of Ordinary Portland Cement, Portland Pozzolana Cement and cement clinker at Jhoom Basti (Badarpur Ghat in Assam). The management is also setting up a new cement manufacturing facility, with capacity of 1,200 TPD (clinker) and 1,600 TPD (cement) in VSCL, where funding will be supported by parent company (BVCL).

### **Key financials Indicators**

As on/for the period ended March 31		2025	2024
Operating income	Rs crore	207.18	232.14
Reported profit after tax (PAT)	Rs crore	7.99	9.84
PAT margin	%	3.85	4.23
Adjusted debt/adjusted networkth	Times	0.30	0.46
Interest coverage	Times	4.18	3.56

### **Status of non-cooperation with previous CRA:**

BVCL had not cooperated with CARE Ratings Ltd (CARE), which classified it as non-cooperative vide release dated September 24, 2024. The reason provided by CARE was non-furnishing of information for monitoring of ratings.

**Any other information:** Not applicable

### **Note on complexity levels of the rated instrument:**

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

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### **Annexure - Details of Instrument(s)**

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
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NA	Cash Credit	NA	NA	NA	25.00	NA	Crisil BBB-/Stable
NA	Term Loan	NA	NA	31-Jul-28	10.66	NA	Crisil BBB-/Stable
NA	Working Capital Term Loan	NA	NA	31-Jan-27	3.34	NA	Crisil BBB-/Stable

**Annexure - List of entities consolidated**

Names of entities consolidated	Extent of consolidation	Rationale for consolidation
Barak Valley Cements Ltd	100	Parent company
Valley Strong Cements (Assam) Ltd	100	Fully owned subsidiary

**Annexure - Rating History for last 3 Years**

Instrument	Current			2025 (History)		2024		2023		2022		Start of 2022
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	39.0	Crisil BBB-/Stable		--	29-08-24	Crisil BBB-/Positive		--		--	Suspended

All amounts are in Rs.Cr.

**Annexure - Details of Bank Lenders & Facilities**

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Cash Credit	25	IDBI Bank Limited	Crisil BBB-/Stable
Term Loan	10.66	North Eastern Development Finance Corporation Limited	Crisil BBB-/Stable
Working Capital Term Loan	3.34	IDBI Bank Limited	Crisil BBB-/Stable

**Criteria Details**

Links to related criteria
<a href="#">Basics of Ratings (including default recognition, assessing information adequacy)</a>
<a href="#">Criteria for consolidation</a>
<a href="#">Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)</a>

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