

Barak Valley Cements Limited

January 23, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE BB+; Stable; ISSUER NOT COOPERATING* and Withdrawn

Details of instruments/facilities in Annexure-1.

**Issuer did not cooperate; based on best available information*

Rationale and key rating drivers

CARE Ratings Ltd. (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BB+; Stable; ISSUER NOT COOPERATING [Double B plus; Outlook: Stable; ISSUER NOT COOPERATING] assigned to the bank facilities of Barak Valley Cements Limited (BVCL) with immediate effect. The above action has been taken at the request of BVCL and 'No Objection Certificates' received from the lenders those have extended the facilities rated by CareEdge Ratings.

The ratings assigned to the bank facilities of BVCL remains constrained due to the modest scale of operations with moderate profitability, exposure to volatility in input costs, working capital intensive operations. The rating however, continues to derive strength from the extensive experience of promoters in cement industry, company's long track record of operations, established customer base in North-eastern region, location advantage and comfortable capital structure as well as debt coverage indicators.

Analytical Approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating on December 05, 2025 the following were the rating strengths and weaknesses.

Key weaknesses

Modest scale of operations and moderate profitability

The scale of operations of BVCL declined marginally owing to subdued demand of the cement and was modest with total operating income of Rs. 207.00 crore during FY25 compared to Rs. 232.14 crore in FY24. During FY25 cement sales quantity reduced to 3,08,878 MT from 3,46,746 MT in FY24. However, profitability remained in line with previous year and was moderate with PBILDT margin of 10.94% during FY25 compared to 10.90% during FY24. PAT margin, however, marginally declined and was moderate of 3.90% during FY25 compared to 4.25% during FY24. During H1FY26, BVCL reported total revenue of Rs. 105.18 crore with moderate PBILDT margin and PAT margin of 8.44% and 2.93% respectively.

Exposure to volatility in input costs

Limestone, coal, fly ash and gypsum form major raw materials for a cement manufacturer. While the company has captive mines for limestone, it meets its coal and fly ash requirement through open market purchases from the domestic producers. With the company depending on the open market purchases for meeting its raw material requirement, it remains exposed to the risk arising on account of the volatility in the raw material prices.

Working capital intensive operations

The operations of the company continue to remain working capital intensive as characterized by high average utilization of working capital limit of 80% over the last 12 months ended January 21, 2026. The gross current asset days was elongated of 125 days in FY25(124 days in FY24), whereas operating cycle was moderate of 64 days in FY25(59 days in FY24).

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

Key strengths

Experienced promoters and long track record of operations in the cement industry

Incorporated in 1999, the company has more than 2 decades of experience in the business of cement manufacturing and sells cement under the brand name 'Valley Strong Cement'. It manufactures Ordinary Portland Cement (OPC) and Portland Pozzolana Cement (PPC) and its target markets are located in the North-Eastern states of India. The promoters of the company have extensive experience in the business of cement manufacturing and are well supported by a qualified management team.

Established customer base in North-Eastern region of India

BVCL's presence is concentrated in North-eastern region of India and the company sells cement through a distribution network comprising 150-160 dealers, in the states of Assam, Mizoram, Tripura, and Manipur. The company has over 20 years of relationships built with these dealers with satisfactory realization of payments. The company has a diversified and strong customer base including institutions and government agencies like Director General of Supplies & Disposals (DGS&D), 19th Assam Rifles, Executive Engineer Rural Development (EERD), CPWD, ONGC, BSF, etc.

Locational advantage and integrated cement plant with captive limestone mines

The company's cement manufacturing plant has locational advantage as the unit is situated on the National Highway connecting Guwahati and Silchar and located in the Barak Valley region of Badarpurghat, Distt. Karimganj, Assam. The entire area is surrounded by the other states of North-East such as Manipur, Mizoram, Tripura, and southern part of Meghalaya, which are the company's target markets. The company also has captive limestone mines, in its wholly owned subsidiary viz. Meghalaya Minerals and Mines Limited (MMML), in district Jaintia of Meghalaya. It has also set up limestone crushing and galvanized plant for crushing, segregation, and homogenization of limestone. The limestone mines are located within 75 km radius from the cement plant and the company has mining rights till 2052. BVCL is procuring its entire requirement of limestone from its subsidiary.

Comfortable capital structure as well as debt coverage indicators

The capital structure of BVCL was comfortable owing to lower reliance on external debt as marked by an overall gearing ratio at 0.30x as on March 31, 2025 against 0.46x as on March 31, 2024. Further owing to lower overall debt and its related finance cost along with moderate profitability, debt coverage indicators of BVCL improved and was comfortable with TDGCA at 2.51x as on March 31, 2025 as against 2.90x as on March 31, 2024 and interest coverage ratio of 4.07x in FY25 and 4.70x during H1FY26 as against 3.51x in FY24.

Assumptions/Covenants: Not Applicable

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

Applicable criteria

[Withdrawal Policy](#)

[Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non-financial Sector](#)

[Criteria for Rating Cement Companies](#)

[Rating Methodology - Manufacturing Companies](#)

About the company

Incorporated in April 1999, BVCL is engaged in the business of manufacturing and marketing cements of different grades under the brand name 'Valley Strong Cement'. The manufacturing unit of the company is located at Jhoom Basti, Devendranagar, Badarpurghat, District Karimganj, Assam.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	232.14	207.00	105.18
PBILDT	25.30	22.64	8.88
PAT	9.86	8.07	3.08
Overall gearing (times)	0.46	0.30	0.32

Interest coverage (times)	3.51	4.07	4.70
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A: Audited UA: Unaudited; 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

Covenants of rated instrument / facility: Annexure-3

Complexity level of various 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
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Term Loan-Long Term		-	-	March 2027	0.00	Withdrawn

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-Cash Credit	LT	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (05-Dec-25) 2) CARE BB+; Stable; ISSUER NOT COOPERATING* (23-Jan-26)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (24-Sep-24)	1)CARE BB+; Stable (28-Jun-23)	1)CARE BB; Stable (04-Jul-22)
2	Term Loan-Long Term	LT	-	-	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (05-Dec-25) 2) CARE BB+; Stable; ISSUER NOT COOPERATING* (23-Jan-26)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (24-Sep-24)	1)CARE BB+; Stable (28-Jun-23)	1)CARE BB; Stable (04-Jul-22)

*Issuer did not cooperate; based on best available information.

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	Fund-based - LT-Cash Credit	Simple
2	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

<p>Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts Shachee Nakul Vyas Assistant Director CARE Ratings Limited Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in</p> <p>Aniket Shringarpure Lead Analyst CARE Ratings Limited Phone: 079-40265659 E-mail: aniket.shringarpure@careedge.in</p> <p>Deep Tripathi Analyst CARE Ratings Limited E-mail: Deep.Tripathi@careedge.in</p>
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