RESULT REVIEW

BOBCAPS
TRUST | INNOVATION | EXCELLENCE

SELL
TP: Rs 2,064 | ⩒ 8%

DALMIA BHARAT | Cement | 21 January 2026

Steady quarterly show; long term challenges linger

- **Revenue increased 9% YoY (2% QoQ) to Rs 35bn, as volume gains muted at 9%, despite south presence realisations listless at 1%+ YoY**
- **Cost stays flat YoY at marginally higher levels, on energy cost and logistic cost saving; fuel cost reversal likely in the medium term**
- **Revise EBITDA down by 2%/1% for FY27/FY28; value DALBHARA at 12x EV/EBITDA. Maintain SELL; TP revised to Rs 2,064 (Rs2,087)**

Milind Raginwar
Research Analyst
Ayush Dugar
Research Associate
research@bobcaps.in

Volume recovery gathers pace; pricing moderates QoQ: DALBHARA Q3FY26 show was steady with revenue growth of 9%/2% YoY/QoQ at R35bn. This was aided by cement volumes that grew ~9%/6 YoY/QoQ to 7.3mt helped by last leg demand revival. Average realisations were listless at ~1%+ YoY at Rs4,803, though prices fell QoQ by 3% (incentives of Rs1.21bn) due to GST rationalisation cut.

Cost structure flat, marginally elevates: Overall cost/t stayed steady YoY at ~Rs 3,971/tn, reflecting cost checks. Power and fuel costs were up ~2.5% YoY, on higher pet-coke prices (~$99/t vs ~$96/t in Q3FY25). However, this was partially offset by a renewable energy share of ~48%. Logistics costs fell ~1.3% YoY to Rs 933/tn, aided by direct dispatches of 62% vs 56% YoY. Other expenses jumped ~11% YoY to ~Rs 5.8bn, driven by shutdown expenses and ~Rs 230mn of brand spends.

EBITDA growth came on volume gains: EBITDA rose 17.8% YoY to ~Rs 6bn, supported by sustained cost efficiencies. EBITDA margin came at 17.2% vs 16.1% YoY, while EBITDA/tn improved ~8.4% YoY to Rs 798/tn. APAT was Rs128bn. With reversal in fuel prices, EBITDA is likely to stay range-bound.

Capacity expansion progresses as planned: Commencement of Umrangso unit take the total clinker capacity to 27.1mt. Ongoing projects at Belgaum, Pune and Kadapa continue to progress as per schedule. Capex guidance for FY26 is at 27bn and FY27 and FY28 the same will be ~ Rs40bn each year.

Revise earnings down; maintain SELL with unchanged 12x multiple: We revise our FY27/FY28 EBITDA estimates down by 2%1% and PAT by 3% each, factoring DALBHARA's mixed choice of realisation chase and market share. Our FY25-FY28 Revenue/EBITDA/PAT CAGR is penned at 10%16%/28%. We continue to assign the stock an EV/EBITDA of 12x 1YF, given the growth trajectory and steady balance sheet, and revise TP to Rs 2,064 (from Rs2,087) on rollover and revised earnings This reflects a replacement cost (implied) of Rs 8.5bn. Lack of substitute to JAL assets, debt reversal and concerns on AP land deal are key risks. Maintain SELL.

Key changes

Target	Rating
▼	◀ ▶

Ticker/Price	DALBHARA IN/Rs 2,232
Market cap	US$ 4.5bn
Free float	44%
3M ADV	US$ 6.4mn
52wk high/low	Rs 2,496/Rs 1,601
Promoter/FPI/DII	56%/12%/8%

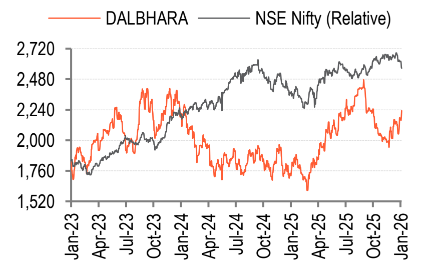
Source: NSE | Price as of 21 Jan 2026

Key financials

Y/E 31 Mar	FY25A	FY26E	FY27E
Total revenue (Rs mn)	1,39,800	1,53,858	1,72,408
EBITDA (Rs mn)	24,070	29,868	33,058
Adj. net profit (Rs mn)	8,120	10,586	12,900
Adj. EPS (Rs)	42.7	57.2	69.7
Consensus EPS (Rs)	42.7	65.3	76.0
Adj. ROAE (%)	4.6	6.3	7.9
Adj. P/E (x)	52.2	39.0	32.0
EV/EBITDA (x)	17.6	14.8	13.8
Adj. EPS growth (%)	(4.9)	33.9	21.9

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Earnings Call Highlights

Parameters	Q3FY26	Q2FY26	Our view
Volumes and realisations	Sales volume rose 9.5% YoY to 7.3mt, aided by last leg demand revival and stronger dealer engagement, particularly in the eastern and southern regions. Trade contribution remained lower at 62% vs 66% YoY, while the premium portfolio share declined marginally to 23% vs 24% YoY. Cement prices softened beyond the GST rate cut in East and South regions, leading to a 4% QoQ NSR drop. However, prices improved marginally YoY, with Q4 starting on a positive note.	Sales volumes grew 3% YoY to 6.9mt, while the trade sales share fell to 62% (from 68% in Q1FY26); premium product mix was steady at 22%. Cement prices remained stable throughout the quarter despite monsoon seasonality, the only decline in prices was the GST rate cut 28% to 18%) that was fully passed to consumers, boosting channel liquidity.	Volume pressure from industry in 4Q on a higher base and capacity addition is likely to add pricing pressure. Prices in the medium term may stay range-bound.
Margins	Raw material costs went up ~2% YoY due to mineral levies driven by Tamil Nadu mineral tax imposition. Power & fuel costs remained largely stable, aided by stable RE share (48% of power mix. 23MW RE capacity was commissioned taking the operational capacity to 410MW. Blended fuel cost stood at Rs 1.36/kcal vs Rs 1.31/kcal. Management plans to increase the usage of domestic fuel to offset the impact of pet-coke inflation. Logistics cost declined ~6% YoY, with direct dispatch at 62% vs 56% YoY however lead distance inched up to 277 km vs 269km YoY. Other expenses rose 11% YoY due to dealer conferences and sponsorships. The incremental brand building cost was in the range Rs 200-230mn. Management reiterated staying on path to achieve savings of ~Rs 150-200/t.	RM cost up ~10% YoY to Rs 732/t due to Tamil Nadu mineral tax imposition. Power and fuel cost was down ~1% YoY to Rs 1,039/t (petcoke at $100/t, blended fuel cost Rs 1.38/kcal). RE share climbed to 48% with 93MW added, targeting 576MW by FY26-end. Logistics costs dropped 3.8% YoY to Rs 1,060/t, aided by railway surcharge relief and focus on proximate markets. Lead distance increased to 287 km from 280 km in Q1FY26, EBITDA soared 60% YoY to ~Rs 7bn; EBITDA/t at Rs 928 (+58% YoY). Margin rose to 20.4% from 14.1% in Q2FY25. The new variable pay structure for management is introduced, linked to performance and safety metrics.	Reversal of pet coke prices a key cost headwind. However, focus on renewable power could provide further respite in cost savings. This, along with a presence in over supply regions will keep pricing pressure ahead of industry.
Capacity	Commenced commercial production from 3.6mt clinker line at Umrangso, Assam (fully backing 8mt cement in Northeast). Ongoing projects at Belgaum, Pune and Kadapa remain on schedule taking total capacity to 61.5mt. Work on the Jaisalmer project development is ongoing and decision is likely to be taken in the next few months.	Cement capacity is steady at 49.5mt. Umrangso clinker unit (3.6mt) began trial runs in Sep'25, with commercial output due in Q3FY26, boosting clinker capacity to 27.1mt. Belgaum (3.6mt clinker + 3mt grinding) and Pune (3mt grinding) on track for FY27 commissioning. Capacity in Assam will provide further opportunity of a 2-2.5mt grinding capacity in Northeast India post completion. Jaisalmer 6mt greenfield is under process for EC and land acquisition with further updates by Mar'26.	Capacity expansion planned and current announced have gaps. Any announcement in Central India capacity expansion to replace the lost JAL opportunity, will help the company in long term. Prudent capex will only help improve further efficiencies and as also maintain the balance sheet.
Capex	Capex spends stood at ~Rs 5.1bn, taking FY26 YTD capex to Rs 17.0bn. Full-year FY26 capex is now estimated at ~Rs 27bn. Majority capex will be incurred for Umrangsoo, Belgaum, Pune and Kadapa. FY27 and 28 capex should be ~Rs 40bn each	In H1FY26 capex incurred was to the tune of Rs 11.9bn for Umrangso, Belgaum, and Pune. FY26 capex guidance was cut to Rs 30bn (from Rs 40bn) due to favorable supplier credit terms and deferred non-essential spend. Kadapa capex at Rs 32.9bn; Jaisalmer is expected to be at Rs 50bn for ~6mt. Total capex for announced projects by FY28 to be in the range of Rs 100-150bn.	Capex for organic and inorganic capacity addition will be watched keenly as capex addition will be with stress on the balance sheet. We will also watch the capital allocation.

Parameters	Q3FY26	Q2FY26	Our view
		FY27 capex projected at ~Rs 40bn, funded by internal accruals and debt.	
Other key points	Net debt/EBITDA was at 0.60x as of Q3FY26-end while Net debt stood at Rs 17.0bn. **Incentives:** Q3FY26 accrual was Rs 910mn (incl. prior year Rs 370mn and H1 Rs 90mn), during Q3FY26 receipts were Rs 1.21bn; total outstanding has reduced to Rs 7.26bn. FY26 onwards incentive run-rate is expected ~Rs 200 Cr. Other expenses include gratuity/employee benefits provision of Rs 320mn as exceptional item due to new labor codes.	Gross debt was at Rs 66.2bn, net debt at Rs 16bn (net debt/EBITDA 0.56x, up due to IEX share valuation drop). Borrowing costs fell to 6.9% with loans linked to T-bill rates. Further stake sales of IEX paused, due to pending regulatory clarity. Incentives accrued in Q2FY26 were Rs 640mn and collection was Rs 500mn while in H1FY26 accrual was at Rs 1.4bn and collection at Rs 910mn; at the end of Q2FY26 outstanding incentive is at Rs 8bn. FY26 incentive accrual revised to Rs 2.4bn due to GST cut, expected at Rs 2bn from FY27.Coal cess removal to save Rs 200mn in H2FY26, Rs 500-550mn annually from FY27.	DALBHARA must maintain balance sheet health with its expansion needs, which is unlikely, given the major capex. ED provisional attachment is a key negative in our view and will have a bearing on the valuations.

Source: Company, BOBCAPS Research

Fig 2 – Key metrics

	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Q3FY26E	Deviation (%)
Volumes (mn mt)	7.3	6.7	9.0	6.9	5.8	7.5	(2.7)
Cement realisations (Rs/t)	4,803	4,748	1.2	4,952	(3.0)	4,630	3.7
Operating costs (Rs/t)	3,978	3,985	(0.2)	3,943	0.9	3,855	3.2
EBITDA/t (Rs)	798	736	8.4	982	(18.7)	749	6.5

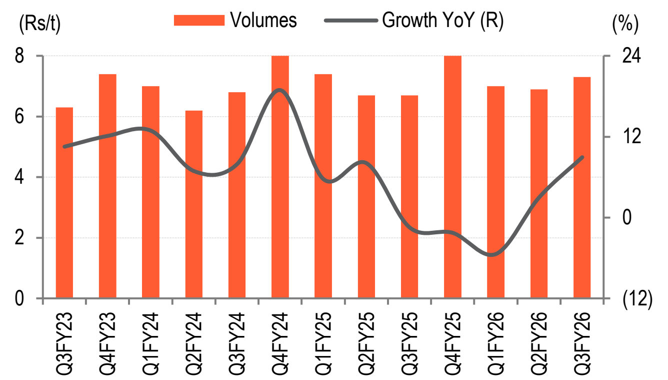
Source: Company, BOBCAPS Research

Fig 3 – Quarterly performance

(Rs mn)	Q3FY26	Q3FY25	YoY (%)	Q2FY26	QoQ (%)	Q3FY26E	Deviation (%)
Net Sales	**35,060**	**31,810**	**10.2**	**34,170**	**2.6**	**34,746**	**0.9**
Expenditure							
Change in stock	100	20	400.0	(420)	(123.8)	(235)	
Raw material	5,740	5,100	12.5	5,470	4.9	5,666	1.3
purchased products	0	0		0		0	
Power & fuel	7,440	6,660	11.7	7,170	3.8	7,917	(6.0)
Freight	7,730	7,480	3.3	7,280	6.2	8,074	(4.3)
Employee costs	2,240	2,230	0.4	2,260	(0.9)	2,267	(1.2)
Other exp	5,790	5,210	11.1	5,450	6.2	5,236	10.6
Total Operating Expenses	29,040	26,700	8.8	27,210	6.7	28,925	0.4
EBITDA	**6,020**	**5,110**	**17.8**	**6,960**	**(13.5)**	**5,821**	**3.4**
EBITDA margin (%)	**17.2**	**16.1**	**111bps**	**20.4**	**(320bps)**	**16.8**	**42bps**
Other Income	620	370	67.6	660	(6.1)	710	(12.7)
Interest	1,180	1,010	16.8	1,220	(3.3)	1,310	(9.9)
Depreciation	3,400	3,640	(6.6)	3,220	5.6	3,210	5.9
PBT	1,220	610	100.0	2,360	(48.3)	1,528	(20.1)
Non-recurring items	320	0	0.0	0	0	0	
PBT (after non-recurring items)	1,540	610	152.5	2,360	(34.7)	1,528	0.8
Tax	460	170	170.6	790	(41.8)	463	(0.5)
Reported PAT	1,280	660	93.9	2,390	(46.4)	1,549	(17.3)
Adjusted PAT	**1,540**	**610**	**152.5**	**2,360**	**(34.7)**	**1,528**	**0.8**
NPM (%)	**4.4**	**1.9**	**247bps**	**6.9**	**(251bps)**	**4.4**	**0bps**
Adjusted EPS (Rs)	**8.3**	**3.3**	**152.5**	**12.8**	**(34.7)**	**8.3**	**1**

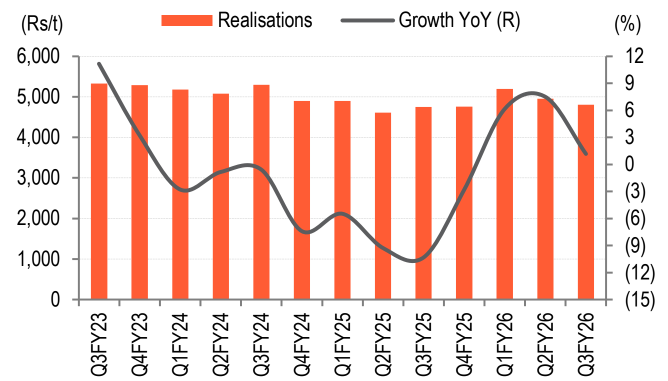
Source: Company, BOBCAPS Research

Fig 4 – Shift in focus keeps volume growth in check despite presence in eastern region



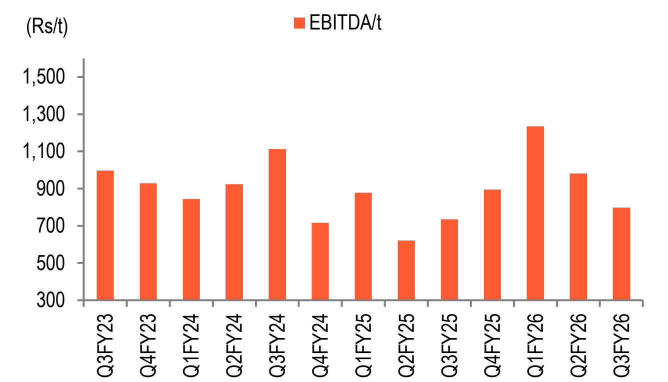
Source: Company, BOBCAPS Research

Fig 5 – Presence in south helps respite in prices



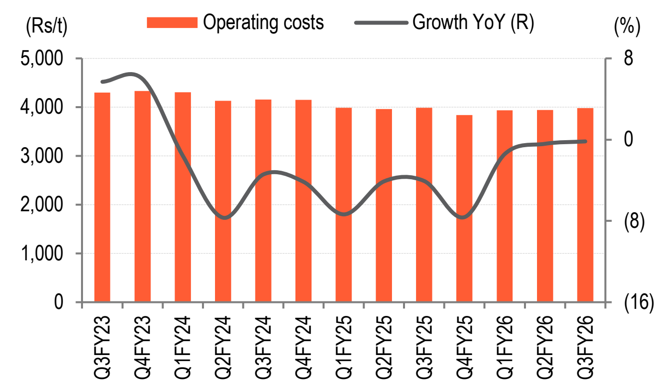
Source: Company, BOBCAPS Research

Fig 6 – EBITDA/tn stays range bound YoY, falls sharply QoQ



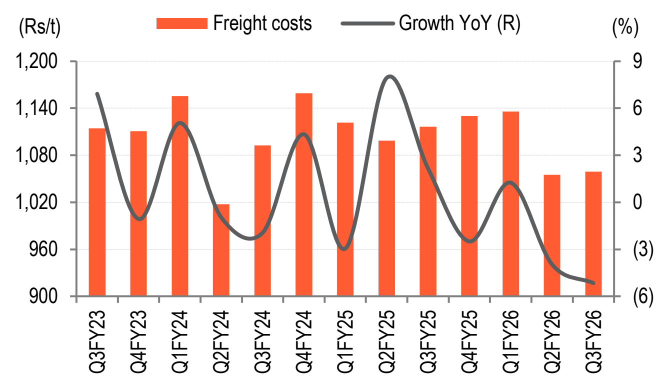
Source: Company, BOBCAPS Research

Fig 7 – Operating cost challenges may resurface from fuel cost inflation



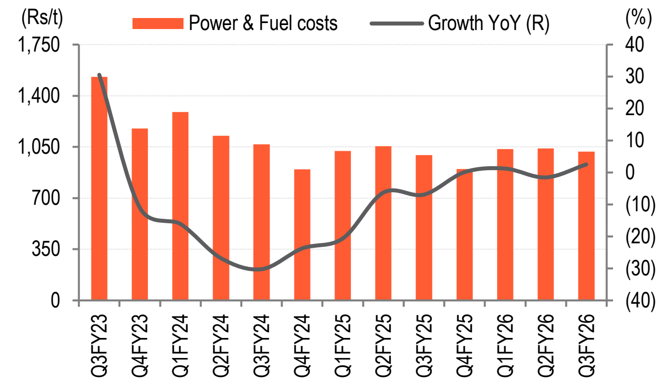
Source: Company, BOBCAPS Research

Fig 8 – Freight cost check commedable



Source: Company, BOBCAPS Research

Fig 9 – Green energy initiatives may help fuel cost savings



Source: Company, BOBCAPS Research

Valuation Methodology

DALBHARA has been altering its stance of market share and realisation chase in the recent past, which may lead to a loss of markets in certain regions. We maintain our earlier stance that DALBHARA's drive to add market share through expansion will receive a setback with limited alternatives for the Jaiprakash Associates (JAL) assets in Central India.

We believe that this, coupled with a focus on capacity expansion from FY26-FY27 for the first leg of major capacity addition, may put pressure on the balance sheet in the medium term; as is reflected with the addition of net debt. Capacity addition in the Northeast India will contribute fully in FY27. DALBHARA is unlikely to disturb pricing in the region, as the capacity will match the demand in the region. While cost-saving plans are in place, we feel will help DALBHARA improve/steady earnings.

Most active regions for DALBHARA are in the East and South. They are vulnerable on account of excess supply. Given the changed dynamics with two major cement groups acquiring mid-/large-size companies, supply pressure is likely to get intensified.

Considering all the above factors, we revise our FY27/FY28 EBITDA estimates down by 2%1% and PAT by 3% each, factoring DALBHARA's mixed choice of realisation chase and market share. Our FY25-FY28 Revenue/EBITDA/PAT CAGR is penned at 10%16%/28%. We continue to assign the stock an EV/EBITDA of 12x 1YF, given the growth trajectory and steady balance sheet, and revise TP to Rs 2,064 (from Rs2,087) on rollover and revised earnings This reflects a replacement cost (implied) of Rs 8.5bn.

Lack of substitute to JAL assets, debt reversal and concerns on AP land deal are key risks. Maintain SELL

Fig 10 – Revised estimates

(Rs mn)	New			Old			Change (%)		
	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
Revenue	1,53,858	1,72,408	1,83,814	1,53,858	1,73,923	1,83,723	0.0	(0.9)	0.0
EBITDA	29,868	33,058	37,072	29,868	33,571	37,601	0.0	(1.5)	(1.4)
Adj PAT	10,586	12,900	14,732	10,586	13,311	15,155	0.0	(3.1)	(2.8)
Adj EPS (Rs)	57.2	69.7	79.6	57.2	72	81.9	0.0	(3.1)	(2.8)

Source: BOBCAPS Research

Fig 11 – Key assumptions

	FY25	FY26E	FY27E	FY28E
Volumes (mt)	29.4	30.1	33.4	35.4
Realisations (Rs/t)	4,611	4,980	5,029	5,055
Operating costs (Rs/t)	3936	4117	4168	4141
EBITDA/t (Rs/t)	819	992	989	1046

Source: Company, BOBCAPS Research

Fig 12 – Valuation summary

Business (Rs mn)	Dec-27 earnings
Target Dec 2027 EV/EBITDA (x)	12.00
EBITDA	36,069
Target EV	**423,808**
Total EV	**423,808**
Net debt (Dec 2027)	42,031
Target market capitalisation	381,777
Target price (Rs/sh)	2064
Weighted average shares (mn)	185

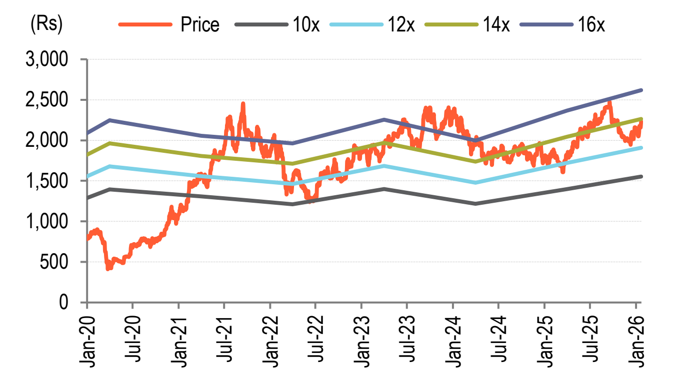
Source: BOBCAPS Research | Valuation and TP based on Dec 2027 earnings

Fig 13 – Peer comparison

Ticker	Rating	TP	EV/EBITDA (x)			EV/tonne (US$)			ROE (%)			ROCE (%)		
		(Rs)	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E	FY26E	FY27E	FY28E
DALBHARA IN	SELL	2,064	17.7	14.8	13.6	110	110`	93	4.6	6.3	8.1	5.4	7.2	8.6
SRCM IN	HOLD	29,833	19.6	16	13.8	149.8	130.9	127.7	8.5	10.4	10.6	11.2	13.5	14.1
ACC IN	HOLD	2,078	14.3	12.7	12	87.1	92.4	85.7	10.4	11.2	11.5	12.2	13.6	13.9

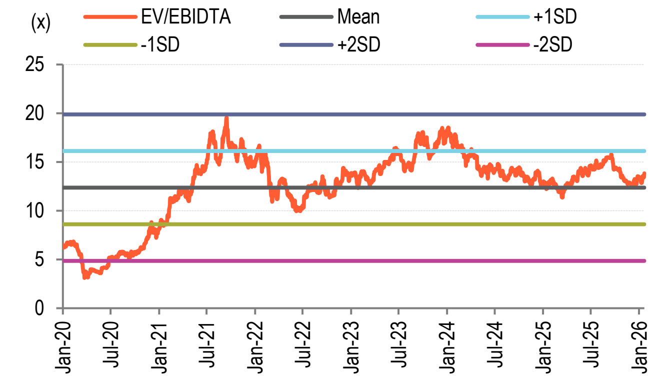
Source: Company, BOBCAPS Research

Fig 14 – EV/EBITDA band: Valuations stay elevated



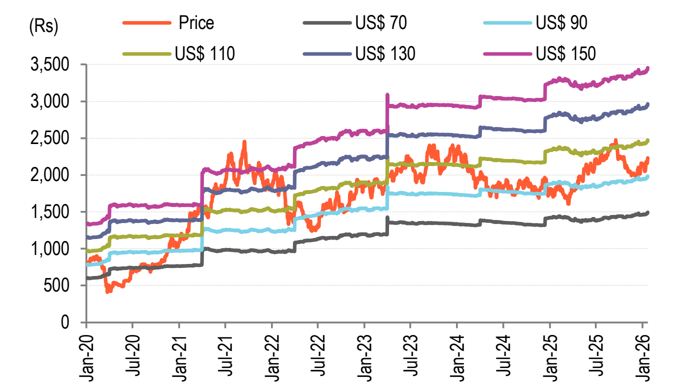
Source: Company, Bloomberg, BOBCAPS Research

Fig 15 – EV/EBITDA 1YF: Valuations will converge to mean in the medium term



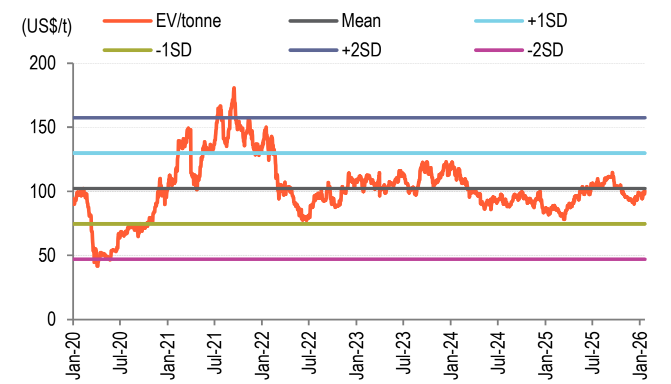
Source: Company, Bloomberg, BOBCAPS Research

Fig 16 – EV/tonne: Replacement cost reflects earnings pain



Source: Company, Bloomberg, BOBCAPS Research

Fig 17 – EV/tonne 1YF: Valuations unlikely to rebound in a hurry



Source: Company, Bloomberg, BOBCAPS Research

Key risks

Key upside risks to our estimates:

- Lower-than-expected fuel cost inflation
- Faster addition of capacity in remunerative regions like Central India
- Faster-than-expected market recovery and strong demand pickup could reverse prices higher leading to better earnings

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Total revenue	**1,46,910**	**1,39,800**	**1,53,858**	**1,72,408**	**1,83,814**
EBITDA	26,390	24,070	29,868	33,058	37,072
Depreciation	(14,980)	(13,310)	(13,976)	(14,604)	(16,065)
EBIT	14,560	13,290	18,185	21,796	24,451
Net interest inc./(exp.)	(3,860)	(3,990)	(4,511)	(4,979)	(5,328)
Other inc./(exp.)	3,150	2,530	2,293	3,343	3,443
Exceptional items	0	(1,130)	0	0	0
EBT	10,700	8,170	13,674	16,817	19,123
Income taxes	(2,160)	(1,180)	(2,845)	(3,473)	(3,935)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	0	0	(243)	(443)	(456)
Reported net profit	**8,540**	**6,990**	**10,586**	**12,900**	**14,732**
Adjustments	0	(1,130)	0	0	0
Adjusted net profit	**8,540**	**8,120**	**10,586**	**12,900**	**14,732**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Accounts payables	20,280	23,220	24,763	26,538	27,217
Other current liabilities	21,130	16,770	21,068	20,048	19,078
Provisions	3,450	4,280	4,708	5,179	5,697
Debt funds	49,610	61,571	65,537	74,667	84,960
Other liabilities	16,480	18,550	19,824	20,581	21,439
Equity capital	380	380	370	370	370
Reserves & surplus	1,64,710	1,75,880	1,63,242	1,74,008	1,86,420
Shareholders' fund	1,66,105	1,77,520	1,64,390	1,75,223	1,87,635
Total liab. and equities	**2,77,055**	**3,01,911**	**3,00,290**	**3,22,235**	**3,46,025**
Cash and cash eq.	44,540	46,020	24,817	31,856	43,189
Accounts receivables	8,360	8,890	9,949	11,334	12,266
Inventories	12,180	13,860	15,281	16,886	17,738
Other current assets	24,870	27,170	29,931	32,187	34,633
Investments	5,900	6,730	7,403	8,903	10,403
Net fixed assets	1,07,626	1,20,680	1,19,827	1,18,974	1,18,121
CWIP	21,887	24,970	37,268	43,603	47,964
Intangible assets	51,692	53,590	55,815	58,492	61,711
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**2,77,055**	**3,01,910**	**3,00,290**	**3,22,235**	**3,46,025**

Cash Flows

Y/E 31 Mar (Rs mn)	FY24A	FY25A	FY26E	FY27E	FY28E
Cash flow from operations	**26,625**	**18,646**	**23,865**	**20,813**	**22,775**
Capital expenditures	(23,220)	(32,721)	(24,403)	(18,893)	(17,459)
Change in investments	(9,380)	(6,550)	24,327	(12,000)	(11,000)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(32,600)**	**(39,271)**	**(76)**	**(30,893)**	**(28,459)**
Equities issued/Others	5	245	(735)	(376)	(456)
Debt raised/repaid	9,810	11,961	3,966	9,130	10,294
Interest expenses	0	0	0	0	0
Dividends paid	(1,690)	(1,665)	(1,850)	(2,035)	(2,220)
Other financing cash flows	820	5,845	(21,374)	(100)	(100)
Cash flow from financing	**8,945**	**16,386**	**(19,993)**	**6,619**	**7,518**
Chg in cash & cash eq.	**2,970**	**(4,240)**	**3,796**	**(3,461)**	**1,833**
Closing cash & cash eq.	**44,540**	**46,021**	**24,816**	**31,856**	**43,189**

Per Share

Y/E 31 Mar (Rs)	FY24A	FY25A	FY26E	FY27E	FY28E
Reported EPS	44.9	36.8	57.2	69.7	79.6
Adjusted EPS	44.9	42.7	57.2	69.7	79.6
Dividend per share	8.9	8.8	10.0	11.0	12.0
Book value per share	874.2	934.3	888.6	947.1	1,014.2

Valuations Ratios

Y/E 31 Mar (x)	FY24A	FY25A	FY26E	FY27E	FY28E
EV/Sales	2.7	3.0	2.9	2.6	2.5
EV/EBITDA	15.1	17.6	14.8	13.8	12.3
Adjusted P/E	49.7	52.2	39.0	32.0	28.0
P/BV	2.6	2.4	2.5	2.4	2.2

DuPont Analysis

Y/E 31 Mar (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Tax burden (Net profit/PBT)	79.8	85.6	79.2	79.3	79.4
Interest burden (PBT/EBIT)	73.5	70.0	75.2	77.2	78.2
EBIT margin (EBIT/Revenue)	9.9	9.5	11.8	12.6	13.3
Asset turnover (Rev./Avg TA)	55.2	48.3	51.1	55.4	55.0
Leverage (Avg TA/Avg Equity)	1.6	1.7	1.8	1.8	1.8
Adjusted ROAE	5.3	4.6	6.3	7.9	8.4

Ratio Analysis

Y/E 31 Mar	FY24A	FY25A	FY26E	FY27E	FY28E
YoY growth (%)					
Revenue	8.5	(4.8)	10.1	12.1	6.6
EBITDA	13.9	(8.8)	24.1	10.7	12.1
Adjusted EPS	31.5	(4.9)	33.9	21.9	14.2
Profitability & Return ratios (%)					
EBITDA margin	18.0	17.2	19.4	19.2	20.2
EBIT margin	9.9	9.5	11.8	12.6	13.3
Adjusted profit margin	5.8	5.8	6.9	7.5	8.0
Adjusted ROAE	5.3	4.6	6.3	7.9	8.4
ROCE	6.5	5.4	7.2	8.4	8.7
Working capital days (days)					
Receivables	21	23	24	24	24
Inventory	30	36	36	36	35
Payables	61	73	73	70	68
Ratios (x)					
Gross asset turnover	0.6	0.5	0.5	0.6	0.6
Current ratio	2.0	2.2	1.6	1.8	2.1
Net interest coverage ratio	3.8	3.3	4.0	4.4	4.6
Adjusted debt/equity	0.3	0.3	0.4	0.4	0.5

Source: Company, BOBCAPS Research | Note: TA = Total Assets

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA (“US”) OR IN OR INTO ANY OTHER JURISDICTION IF SUCH AN ACTION IS PROHIBITED BY APPLICABLE LAW.

Disclaimer

Name of the Research Entity: **BOB Capital Markets Limited**
Registered office Address: **1704, B Wing, Parinee Crescenzo, G Block, BKC, Bandra East, Mumbai 400051**
SEBI Research Analyst Registration No: **INH000000040 valid till 03 February 2025**
Brand Name: **BOBCAPS**
Trade Name: **www.barodaetrade.com**
CIN: **U65999MH1996GOI098009**

Logo:

Investments in securities market are subject to market risks. Read all the related documents carefully before investing.
Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Recommendation scale: Recommendations and Absolute returns (%) over 12 months

BUY – Expected return >+15%

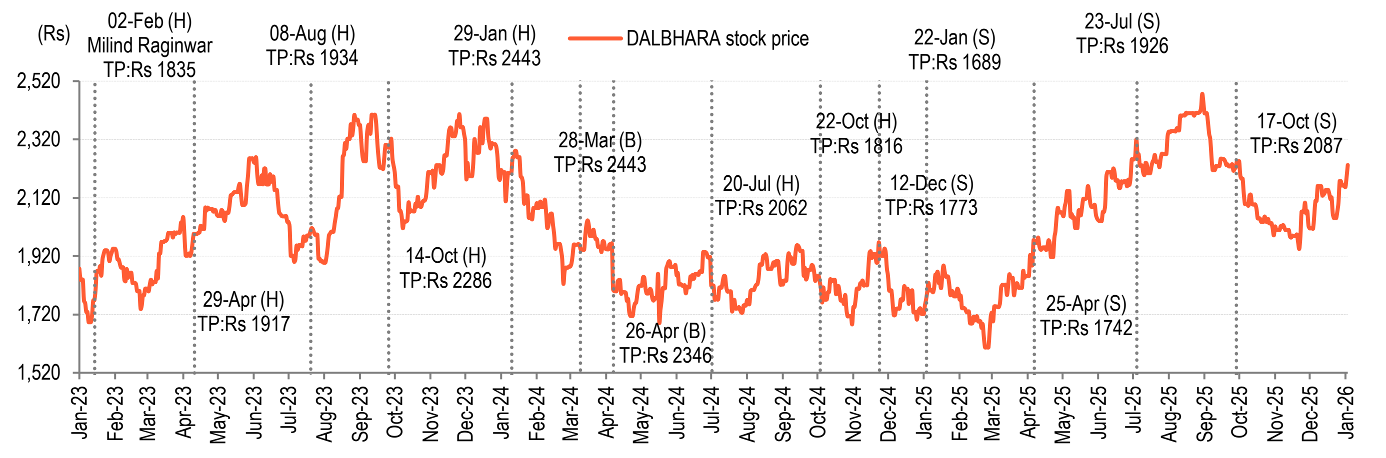
HOLD – Expected return from -6% to +15%

SELL – Expected return <-6%

Note: Recommendation structure changed with effect from 21 June 2021

Our recommendation scale does not factor in short-term stock price volatility related to market fluctuations. Thus, our recommendations may not always be strictly in line with the recommendation scale as shown above.

Ratings and Target Price (3-year history): DALMIA BHARAT (DALBHARA IN)



B – Buy, H – Hold, S – Sell, A – Add, R – Reduce

Analyst certification

The research analyst(s) authoring this report hereby certifies that (1) all of the views expressed in this research report accurately reflect his/her personal views about the subject company or companies and its or their securities, and (2) no part of his/her compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) in this report. Analysts are not registered as research analysts by FINRA and are not associated persons of BOB Capital Markets Limited (BOBCAPS).

General disclaimers

BOBCAPS is engaged in the business of Stock Broking and Investment Banking. BOBCAPS is a member of the National Stock Exchange of India Limited and BSE Limited and is also a SEBI-registered Category I Merchant Banker. BOBCAPS is a wholly owned subsidiary of Bank of Baroda which has its various subsidiaries engaged in the businesses of stock broking, lending, asset management, life insurance, health insurance and wealth management, among others.

BOBCAPS’s activities have neither been suspended nor has it defaulted with any stock exchange authority with whom it has been registered in the last five years. BOBCAPS has not been debarred from doing business by any stock exchange or SEBI or any other authority. No disciplinary action has been taken by any regulatory authority against BOBCAPS affecting its equity research analysis activities.

BOBCAPS is also a SEBI-registered intermediary for the broking business having SEBI Single Registration Certificate No.: INZ000159332 dated 20 November 2017.

BOBCAPS prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, BOBCAPS prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover.

Our salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies to our clients that reflect opinions contrary to the opinions expressed herein, and our proprietary trading and investing businesses may make investment decisions that are inconsistent with the recommendations expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing, among other things, may give rise to real or potential conflicts of interest. Additionally, other important information regarding our relationships with the company or companies that are the subject of this material is provided herein.

This material should not be construed as an offer to sell or the solicitation of an offer to buy any security in any jurisdiction We are not soliciting any action based on this material. It is for the general information of BOBCAPS’s clients. It does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any advice or recommendation in this material, clients should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. BOBCAPS research reports follow rules laid down by Securities and Exchange Board of India and individuals employed as research analysts are separate from other employees who are performing sales trading, dealing, corporate finance advisory or any other activity that may affect the independence of its research reports.

The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. BOBCAPS does not provide tax advice to its clients, and all investors are strongly advised to consult with their tax advisers regarding any potential investment in certain transactions — including those involving futures, options, and other derivatives as well as non-investment-grade securities — that give rise to substantial risk and are not suitable for all investors. The material is based on information that we consider reliable, but we do not represent that it is accurate or complete, and it should not be relied on as such. Opinions expressed are our current opinions as of the date appearing on this material only. We endeavour to update on a reasonable basis the information discussed in this material, but regulatory, compliance, or other reasons may prevent us from doing so.

We and our affiliates, officers, directors, and employees, including persons involved in the preparation or issuance of this material, may from time to time have "long" or "short" positions in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein and may from time to time add to or dispose of any such securities (or investment). We and our affiliates may assume an underwriting commitment in the securities of companies discussed in this document (or in related investments), may sell them to or buy them from customers on a principal basis, and may also perform or seek to perform investment banking or advisory services for or relating to these companies and may also be represented in the supervisory board or any other committee of these companies.

For the purpose of calculating whether BOBCAPS and its affiliates hold, beneficially own, or control, including the right to vote for directors, one per cent or more of the equity shares of the subject company, the holdings of the issuer of the research report is also included.

BOBCAPS and its non-US affiliates may, to the extent permissible under applicable laws, have acted on or used this research to the extent that it relates to non-US issuers, prior to or immediately following its publication. Foreign currency denominated securities are subject to fluctuations in exchange rates that could have an adverse effect on the value or price of or income derived from the investment. In addition, investors in securities such as ADRs, the value of which are influenced by foreign currencies, effectively assume currency risk. In addition, options involve risks and are not suitable for all investors. Please ensure that you have read and understood the Risk disclosure document before entering into any derivative transactions.

No part of this material may be (1) copied, photocopied, or duplicated in any form by any means or (2) redistributed without BOBCAPS's prior written consent.

Company-specific disclosures under SEBI (Research Analysts) Regulations, 2014

The research analyst(s) or his/her relatives do not have any material conflict of interest at the time of publication of this research report.

BOBCAPS or its research analyst(s) or his/her relatives do not have any financial interest in the subject company. BOBCAPS or its research analyst(s) or his/her relatives do not have actual/beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

The research analyst(s) has not received any compensation from the subject company or third party in the past 12 months in connection with research report/activities. Compensation of the research analyst(s) is not based on any specific merchant banking, investment banking or brokerage service transactions.

BOBCAPS or its research analyst(s) is not engaged in any market making activities for the subject company.

The research analyst(s) has not served as an officer, director or employee of the subject company.

BOBCAPS or its associates may have material conflict of interest at the time of publication of this research report.

BOBCAPS's associates may have financial interest in the subject company. BOBCAPS's associates may hold actual / beneficial ownership of one per cent or more securities in the subject company at the end of the month immediately preceding the date of publication of this report.

BOBCAPS or its associates may have managed or co-managed a public offering of securities for the subject company or may have been mandated by the subject company for any other assignment in the past 12 months.

BOBCAPS may have received compensation from the subject company in the past 12 months. BOBCAPS may from time to time solicit or perform investment banking services for the subject company. BOBCAPS or its associates may have received compensation from the subject company in the past 12 months for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory services in a merger or specific transaction. BOBCAPS or its associates may have received compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past 12 months.

Other disclaimers

BOBCAPS and MAYBANK (as defined below) make no representation or warranty, express or implied, as to the accuracy or completeness of any information obtained from third parties and expressly disclaim the merchantability, suitability, quality and fitness of this report. The information in this report has not been independently verified, is provided on an "as is" basis, should not be relied on by you in connection with any contract or commitment, and should not be used as a substitute for enquiries, procedures and advice which ought to be undertaken by you. This report also does not constitute an offer or solicitation to buy or sell any securities referred to herein and you should not construe this report as investment advice. All opinions and estimates contained in this report constitute BOBCAPS's judgment as of the date of this report and are subject to change without notice, and there is no obligation on BOBCAPS or MAYBANK to update this report upon issuance. This report and the information contained herein may not be reproduced, redistributed, disseminated or copied by any means without the prior consent of BOBCAPS and MAYBANK.

To the full extent permitted by law neither BOBCAPS, MAYBANK nor any of their respective affiliates, nor any other person, accepts any liability howsoever arising, whether in contract, tort, negligence, strict liability or any other basis, including without limitation, direct or indirect, special, incidental, consequential or punitive damages arising from any use of this report or the information contained herein. By accepting this report, you agree and undertake to fully indemnify and hold harmless BOBCAPS and MAYBANK from and against claims, charges, actions, proceedings, losses, liabilities, damages, expenses and demands (collectively, the "Losses") which BOBCAPS and/or MAYBANK may incur or suffer in any jurisdiction including but not limited to those Losses incurred by BOBCAPS and/or MAYBANK as a result of any proceedings or actions brought against them by any regulators and/or authorities, and which in any case are directly or indirectly occasioned by or result from or are attributable to anything done or omitted in relation to or arising from or in connection with this report.

Distribution into the United Kingdom ("UK"):

This research report will only be distributed in the United Kingdom, in accordance with the applicable laws and regulations of the UK, by Maybank Securities (London) Ltd) ("**MSL**") who is authorised and regulated by the Financial Conduct Authority ("FCA") in the United Kingdom (MSL and its affiliates are collectively referred to as **"MAYBANK**"). BOBCAPS is not authorized to directly distribute this research report in the UK.

This report has not been prepared by BOBCAPS in accordance with the UK's legal and regulatory requirements.

This research report is for distribution only to, and is solely directed at, selected persons on the basis that those persons: (a) are eligible counterparties and professional clients of MAYBANK as selected by MAYBANK solely at its discretion; (b) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended from time to time (the "Order"), or (c) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc. as mentioned in the stated Article) of the Order; (all such persons together being referred to as "relevant persons").

This research report is directed only at relevant persons and must not be acted on or relied on by any persons who are not relevant persons. Any investment or investment activity to which this material relates is available only to relevant persons and will be engaged in only with relevant persons.

The relevant person as recipient of this research report is not permitted to reproduce, change, remove, pass on, distribute or disseminate the data or make it available to third parties without the written permission of BOBCAPS or MAYBANK. Any decision taken by the relevant person(s) pursuant to the research report shall be solely at their costs and consequences and BOBCAPS and MAYBANK shall not have any liability of whatsoever nature in this regard.

No distribution into the US:

This report will not be distributed in the US and no US person may rely on this communication.

Other jurisdictions:

This report has been prepared in accordance with SEBI (Research Analysts) Regulations and not in accordance with local regulatory requirements of any other jurisdiction. In any other jurisdictions, this report is only for distribution (subject to applicable legal or regulatory restrictions) to professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions by Maybank Securities Pte Ltd. (Singapore) and / or by any broker-dealer affiliate or such other affiliate as determined by Malayan Banking Berhad.

If the recipient of this report is not as specified above, then it should not act upon this report and return the same to the sender.

By accepting this report, you agree to be bound by the foregoing limitations.