SELL
TP: Rs 1,742 | ⩔ 12%

DALMIA BHARAT | Cement | 25 April 2025

Quarterly show improves; challenges continue unabated

- **Revenue declined by 5% YoY (+30% QoQ) to ~Rs 41bn, as volume growth stunted and realisations fell despite slower volume gains**
- **Cost savings of 8% driven by lower energy cost, help mitigate earnings weakness and help margin gains**
- **Maintain our EBITDA for FY26E/FY27E valuing stock at 12x EV/EBITDA 1Y fwd. Maintain SELL; TP revised to Rs 1,742 (Rs 1,689) on rollover**

Milind Raginwar
research@bobcaps.in

Volume and realisations stay soft: DALBHARA's revenue fell by ~5% YoY (+28.6% QoQ) to ~Rs 40.9bn in Q4FY25, as volume and realisations remained muted. Volume fell by 2.3% YoY (+28.4% QoQ) to 8.6mn tonnes. Realisations were down by 2.8% YoY (+0.19% QoQ) to Rs 4,757/t. Cement prices fell in DALBHARA's operating regions in East and South India, keeping the capacity utilisation at ~65%.

Lower energy expense key cost-savings driver: Overall cost has softened by 7.6% YoY to Rs 3,835/t (down 3.8% QoQ). Cost savings were driven by an ~11% YoY fall in power expenses (adjusted for raw materials) to Rs 1,789/t. Fuel consumption cost declined further to US$ 95/t from US$ 114/t YoY and improvement in RE to 39% from 34% YoY. Fuel cost in Q4FY25 was Rs 1.30/kcal. Total operational RE power capacity now stands at 267MW. Logistics cost was listless, staying flat; while other expenditure fell by 14% YoY due to the maintenance and marketing costs in Q4FY24.

EBITDA increase healthy: EBITDA rose up by 21.2% YoY (55.2% QoQ) to ~Rs 7.9bn driven by cost softening, consequently EBITDA margin was up to 19.4% from 15.2% in Q4FY24. EBITDA/t also inflated by 24.9%/21.7% YoY/QoQ to Rs 895/t. APAT was up 38% YoY to Rs 4.35bn driven by higher other income and lower tax.

Capex to boost capacities: The company indicated capex of Rs35bn towards capacity expansion in Karnataka by 3mnt and 3 mnt new grinding unit in Pune. North-east expansion will be completed and additional funds will be invested in renewable energy projects, with a target of reaching 595 MW by the end of FY26.

No estimates change; Maintain SELL: We maintain our FY26/FY27 EBITDA estimates, factoring continued expectations of slow pricing growth and no major substitutes for JAL assets. We continue to assign the stock an EV/EBITDA of 12x 1YF given the growth trajectory and healthy balance sheet (as of now). However, we revise our TP to Rs 1,742 (from Rs 1,689) on rollover, reflecting a replacement cost (implied) of Rs 8.5bn. We maintain our SELL rating on DALBHARA.

Key changes

Target	Rating
▲	◀ ▶

Ticker/Price	DALBHARA IN/Rs 1,974
Market cap	US$ 4.3bn
Free float	44%
3M ADV	US$ 6.7mn
52wk high/low	Rs 1,983/Rs 1,601
Promoter/FPI/DII	56%/12%/8%

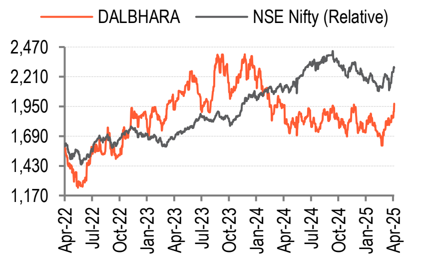
Source: NSE | Price as of 24 Apr 2025

Key financials

Y/E 31 Mar	FY25P	FY26E	FY27E
Total revenue (Rs mn)	1,39,800	1,57,942	1,77,680
EBITDA (Rs mn)	24,070	27,606	32,332
Adj. net profit (Rs mn)	8,120	7,707	10,404
Adj. EPS (Rs)	42.7	41.7	56.2
Consensus EPS (Rs)	40.9	58.4	76.3
Adj. ROAE (%)	4.6	4.7	6.5
Adj. P/E (x)	46.2	47.4	35.1
EV/EBITDA (x)	16.9	12.4	9.9
Adj. EPS growth (%)	(4.9)	(2.5)	35.0

Source: Company, Bloomberg, BOBCAPS Research

Stock performance



Source: NSE

Fig 1 – Earnings call highlights

Parameters	Q4FY25	Q3FY25	Our view
Volumes and realisations	Volumes fell by 3% YoY to Rs 8.6mn tonnes. However, sales from Dalmia plant excluding the JAL grew by 4%. In FY25, growth was around 6%. Revenue witnessed 8.6% QoQ gains, driven by volume and price increase. Factor contributing to revenue was the improvement in premium product mix to 24% from 21% and the trade mix also improved to 67% from 65 %. For FY25, revenue fell by 4.8% YoY owing to softness in prices	Volumes declined by 2% YoY to 6.7mn tonnes, as 0.37mn tonnes of tolling volumes earlier contributed by JPA have now been discontinued. However, sales from Dalmia Plants grew 3.7% YoY in Q3FY25. Revenue declined 12% YoY, due to the sharp decline in cement prices. Management observed price improvements in Dec'24 and expects better prices in Q4FY25, led by higher demand. Management expects Q4FY25 to grow 6-7% YoY, which translates to full-year growth of 3-4% YoY. DALBHARA had a capacity utilisation of ~60-65%	Volume pressure from industry in 2H will sustain pricing pressure in the eastern and southern regions of India. DALBHARA's focus continues to shift to market share over a period of time. Prices, however, may reverse from the recent weak trajectory.
Margins	As per the ongoing efforts of the management to reduce cost 2.2MW solar power plant in Lanka, Assam has been added and another 13 MW capacity is also commissioned under group captive arrangement. Fuel cost per tonne declined by 7% YoY to Rs 945/t, driven by a decline in fuel consumption cost from $114 to $95 and a subsequent improvement in renewable energy to 39% from 34%. Blended fuel cost during the quarter declined to Rs 1.30/kcal (Rs1.31/kcal in Q3FY25). There is some volatility expected in fuel prices as the spot prices are volatile and global macroeconomic uncertainties. Logistics cost declined by 2% YoY to Rs 1,135/t as direct dispatch increased from 56% in Q4FY24 to 61% Q4FY25.	Management is committed to cost reduction through internal measures to the tune of Rs 150-200/tonne by FY27. Energy cost declined 9% YoY to Rs 1,005/t, with US$ 26/t reduction in fuel consumption cost to US$ 96/t YoY and improvement in renewable energy from 30% to 33% YoY. Fuel cost during the quarter was Rs 1.31/kcal (1.36 kcal in Q2FY25). Logistics cost increased by 2.7% on YoY basis to Rs 1,120/t due to supply to Central India from its eastern plants due to the discontinuation of the JP tolling arrangement.	Focus on renewable power could provide further respite in cost savings. Any announcement in the Central India capacity expansion to replace lost JAL opportunity will help the company in long term.
Capacity	Milestone of 49.5mnt cement capacity has been achieved. The company has commissioned a 2.4mnt grinding unit at Lank, Assam and 0.5mnt unit at Bihar. Further capacity expansion plan of 3mnt at the Belgaum plant has been announced and a new greenfield 3mnt grinding plant at Pune is expected to be commissioned by the end of FY27. This 6mnt capacity will mainly cater to the demand in Maharashtra.	DALBHARA completed debottlenecking at Rajgangpur, Odisha (0.6mnt), and Kadapa, Andhra Pradesh (0.3mnt), resulting in a total clinker capacity of 23.5mnt. It has an installed cement capacity currently of 46.6mnt and is on track to achieve 49.5mnt capacity by FY25-end.	At ~65% capacity utilisation, DALBHARA has enough capacity to handle incremental demand. However, according to management, it is incurring capex in areas where the plant capacity has high utilisation and in newer geographies.
Capex	Total capex for FY25 was ~Rs 24bn; significant investments were made in ongoing projects, including the expansion milestones and renewable energy projects. For FY26, management has increased their guidance to Rs 35bn, which will be focussed on the expansion of Belgaum plant, new plant at Pune and other future projects.	In Q3FY25, total capex incurred was of Rs 6.57bn. Total guidance for FY25 is Rs 30bn, largely for Northeast and Bihar expansion. Management expects FY26 capex in be Rs 25bn-30bn. Despite the capex, the company is committed to maintaining a net debt/EBITDA of up to 2x.	Prudent capex for organic and inorganic capacity addition will be key for growth. Importantly, capex addition has to be without major/no stress on the balance sheet. We will keenly watch the capital allocation of the company.
Other key points	Gross debt stood at Rs 52.8bn - an increase of Rs 6.3bn vs March '24. Net debt as of	As at 31 December 2024, gross debt increased to Rs 54.57bn (Rs 47.84bn in	DALBHARA must maintain balance sheet health with its

Parameters	Q4FY25	Q3FY25	Our view
	March '25 was Rs 7.16bn. Resultant net debt to EBITDA ratio stands at 0.3x. In April 2025, a provisional attachment order amounting to Rs 7.9bn was issued by Pune authorities. This stems from a case originally registered by the CBI in 2011, involving allegations related to the company's investments in Bharti Cement. The company clarified that this order does not impact its running operations and they plan to take appropriate legal steps to defend their position. During the quarter, the company accrued Rs 0.9bn in incentives. Total incentive accruals for FY25 were Rs 33.6bn. Collections against these accruals were about Rs 30.7bn.	Q3FY24) and net debt to Rs 12.42bn (Rs 6.44bn in Q3FY24) taking net debt/EBITDA to 0.55x. Due to the death of 3 factory workers, Rajgangpur's captive power plant has been shut till corrective measures are taken. Production is to be unaffected. In Q3FY25, accrued incentives are Rs 1.02bn with collections at Rs 1.22bn. Additional extension of incentives of one plant amounting to Rs 0.14bn. Management expects Rs 3.25bn of incentives for the full year.	expansion needs. With major capex expected in FY26E/FY27E and FY28E, the balance sheet could be impacted. The ED provisional attachment is a key negative in our view and will have a negative bearing on the company. Incentives extension is a positive development in the challenging phase currently.

Source: Company, BOBCAPS Research

Fig 2 – Key metrics

	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	4QFY25E	Deviation (%)
Volumes (mn mt)	8.6	8.8	(2.3)	6.7	28.4	8.8	(2.8)
Cement realisations (Rs/t)	4,757	4,895	(2.8)	4,748	0.2	4,748	0.2
Operating costs (Rs/t)	3,835	4,151	(7.6)	3,985	(3.8)	3,871	(0.9)
EBITDA/t (Rs)	895	717	24.9	736	21.7	850	5.4

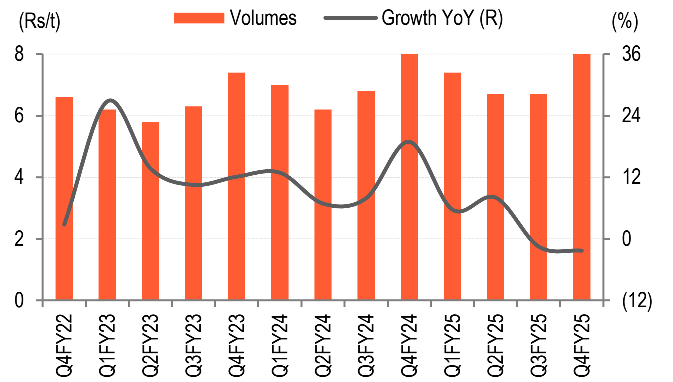
Source: Company, BOBCAPS Research

Fig 3 – Quarterly performance

(Rs mn)	4QFY25	4QFY24	YoY (%)	3QFY25	QoQ (%)	4QFY25E	Deviation (%)
Net Sales	**40,910**	**43,073**	**(5.0)**	**31,810**	**28.6**	**41,989**	**(2.6)**
Expenditure							
Change in stock	1,420	1,370	3.6	20	7,000.0	1,410	
Raw material	6,240	6,270	(0.5)	5,100	22.4	6,757	(7.6)
purchased products	0	2,140	(100.0)	0		0	
Power & fuel	7,730	7,900	(2.2)	6,660	16.1	8,817	(12.3)
Freight	9,720	10,200	(4.7)	7,480	29.9	9,693	0.3
Employee costs	2,150	2,020	6.4	2,230	(3.6)	2,250	(4.4)
Other exp	5,720	6,630	(13.7)	5,210	9.8	5,310	7.7
Total Operating Expenses	32,980	36,530	(9.7)	26,700	23.5	34,237	(3.7)
EBITDA	**7,930**	**6,543**	**21.2**	**5,110**	**55.2**	**7,752**	**2.3**
EBITDA margin (%)	19.4	15.2	419bps	16.1	332bps	18.5	92bps
Other Income	930	1,200	(22.5)	370	151.4	380	144.7
Interest	1,050	940	11.7	1,010	4.0	1,117	(6.0)
Depreciation	3,140	3,280	(4.3)	3,640	(13.7)	3,670	(14.4)
PBT	4,670	3,523	32.6	830	462.7	3,345	39.6
Non-recurring items	0	0	0.0	0	0	0	
PBT (after non-recurring items)	4,670	3,523	32.6	830	462.7	3,345	39.6
Tax	280	320	(12.5)	170	64.7	535	(47.7)
Reported PAT	4,390	3,203	37.1	660	565.2	2,810	56.2
Adjusted PAT	**4,350**	**3,153**	**38.0**	**610**	**613.1**	**2,765**	**57.3**
NPM (%)	10.6	7.3	331bps	1.9	872bps	6.6	405bps
Adjusted EPS (Rs)	**23.5**	**17.0**	**38.0**	**3.3**	**613.1**	**14.9**	**57**

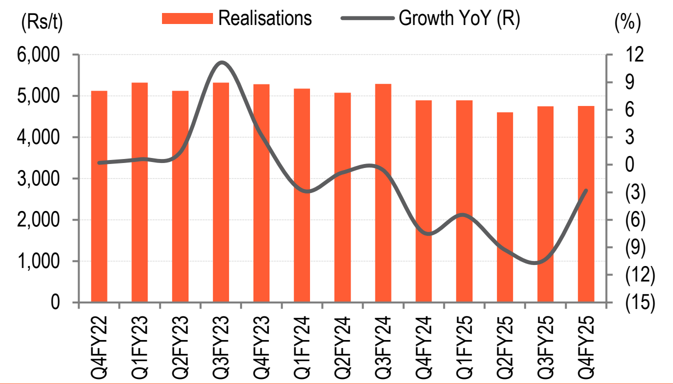
Source: Company, BOBCAPS Research

Fig 4 – Regional mix keeps revenue growth limited



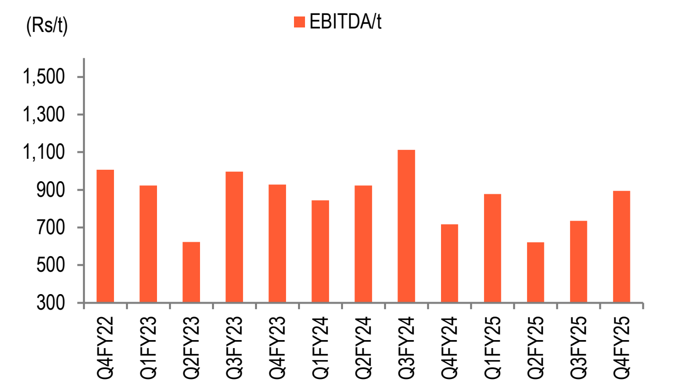
Source: Company, BOBCAPS Research

Fig 5 – Supply matches demand, keeping prices listless



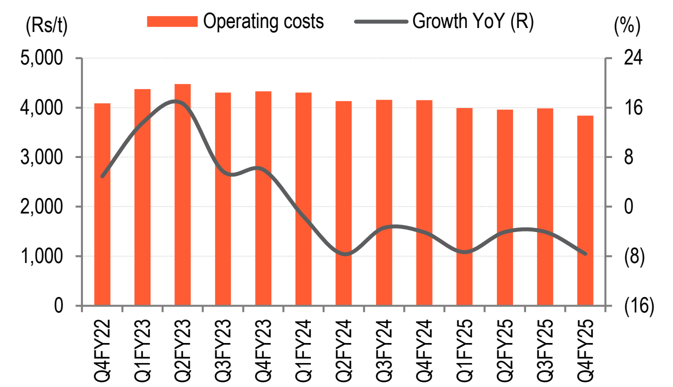
Source: Company, BOBCAPS Research

Fig 6 – EBITDA/t boost only by cost savings



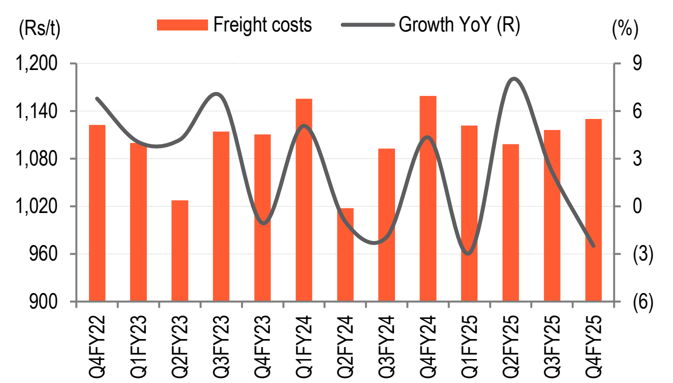
Source: Company, BOBCAPS Research

Fig 7 – Operating cost unlikely to soften further



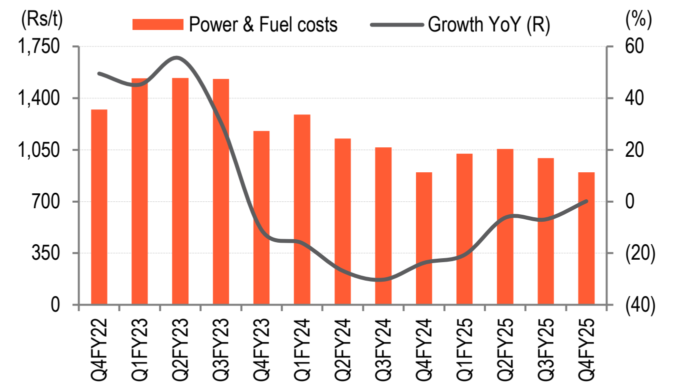
Source: Company, BOBCAPS Research

Fig 8 – Freight cost inflation will continue due to higher inter-unit cost



Source: Company, BOBCAPS Research

Fig 9 – Green energy initiatives may further boost fuel cost savings



Source: Company, BOBCAPS Research

Valuation methodology

We maintain our earlier stance that DALBHARA's drive to add market share through expansion is likely to receive a setback with limited alternatives for the Jaiprakash Associates (JAL) assets in Central India. To keep investing in the channel network (in the central region), DALBHARA will continue to feed this market from East India as it has limited options in the central region currently. However, any effort to replace this lost opportunity will be keenly watched.

We believe this, coupled with the focus now on capacity expansion from FY26-FY27 for the first leg of major capacity addition, may put some pressure on the balance sheet in the medium term as is reflected in 4Q with the addition of net debt. Capacity addition in North East India will contribute fully in FY27 and DALBHARA is unlikely to disturb pricing in the region, as capacity will match demand in the region with many companies planning to enter the region, making it less lucrative. Cost savings plans notwithstanding, we feel this could lead to additional concerns for DALBHARA.

Most active regions for DALBHARA are the eastern (44% volume contribution with new capacity addition) and southern regions (28% volume contribution); they are expected to face severe pricing pressure due to vulnerability of excess supply. Given the changed dynamics with two major cement groups acquiring mid-/large-size companies, supply pressure in this region is likely to increase. Though DALBHARA has a strong presence in South Tamil Nadu (better pricing area), we feel this may be of limited advantage for the company.

Factoring in the same, our FY26/FY27 EBITDA estimates factor in expectations of slow pricing growth and no major substitutes for JAL assets till FY27/FY28. However, we continue to assign the stock an EV/EBITDA of 12x 1YF (Dec 2027), given the growth trajectory and a healthy balance sheet. However, we revise our TP to Rs 1,742 (from Rs 1,689) on rollover reflecting a replacement cost (implied) of Rs 8.5bn. We maintain our SELL rating on DALBHARA.

Fig 10 – Key assumptions

	FY24	FY25P	FY26E	FY27E
Volumes (mt)	27.85	29.4	32.16	36.02
Realisations (Rs/t)	5,124	4,751	4,789	4,813
Operating costs (Rs/t)	4,328	3,942	4,052	4,035
EBITDA/t (Rs/t)	948	782	858	898

Source: Company, BOBCAPS Research

Fig 11 – Valuation summary

Business (Rs mn)	FY27E
Target FY27E EV/EBITDA (x)	12.0
EBITDA (FY27E)	32,332
Target EV	**3,77,637**
Total EV	**3,77,637**
Net debt (FY27E)	55,324
Target market capitalisation	3,22,313
Target price (Rs/sh)	**1,742**
Weighted average shares (mn)	185

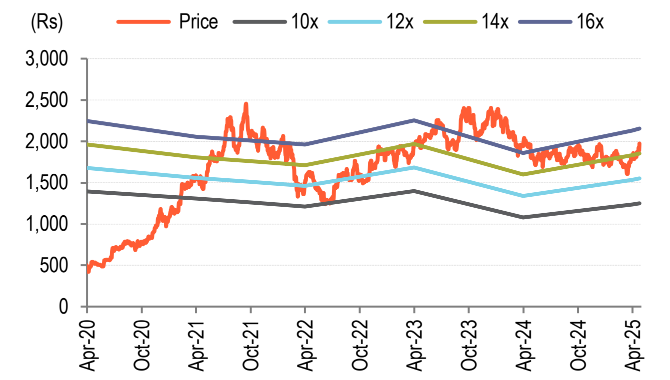
Source: BOBCAPS Research | Valuation and TP based on Dec'27 earnings

Fig 12 – Peer comparison

Ticker	Rating	TP (Rs)	EV/EBITDA (x) FY25P	FY26E	FY27E	EV/tonne (US$) FY25P	FY26E	FY27E	ROE (%) FY25P	FY26E	FY27E	ROCE (%) FY25P	FY26E	FY27E
DALBHARA IN	SELL	1,742	16.9	12.4	9.9	97.0	97.4	99.3	4.6	4.7	6.5	5.5	6.0	7.5
SRCM IN	HOLD	25,755	24.8	23.5	19.4	140.6	140.0	121.6	4.9	8.0	10.6	6.7	10.5	13.4
ACC IN	HOLD	2,282	11.3	8.2	7.7	110.6	101.2	90.9	12.0	13.0	13.0	14.0	15.4	15.2

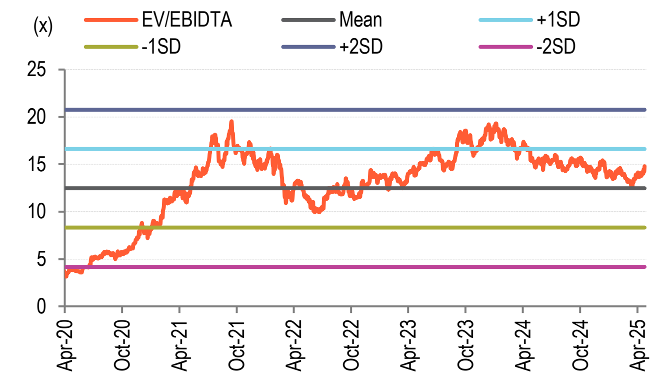
Source: Company, BOBCAPS Research

Fig 13 – EV/EBITDA band: Valuations ahead of earnings



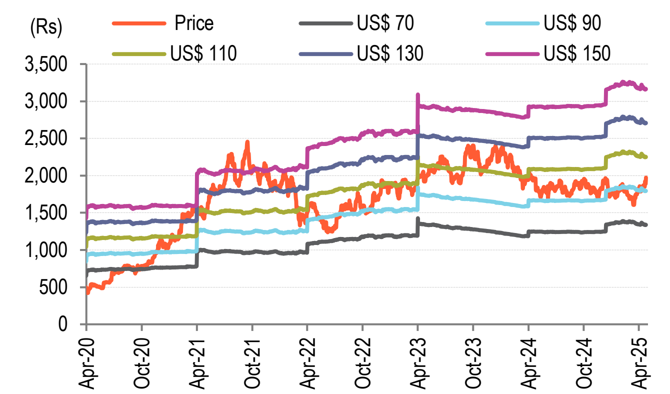
Source: Company, Bloomberg, BOBCAPS Research

Fig 14 – EV/EBITDA 1YF: Valuations converging to mean



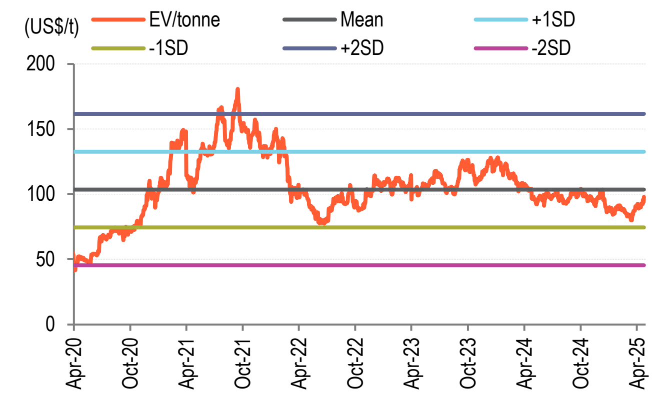
Source: Company, Bloomberg, BOBCAPS Research

Fig 15 – EV/tonne: Replacement cost reflects earnings pain



Source: Company, Bloomberg, BOBCAPS Research

Fig 16 – EV/tonne 1YF: Valuations unlikely to rebound in a hurry



Source: Company, Bloomberg, BOBCAPS Research

Key risks

Key upside risks to our estimates are:

- Lower-than-expected fuel cost inflation
- Faster addition of capacity
- Faster-than-expected market recovery and strong demand pickup could reverse prices higher.

Financials

Income Statement

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Total revenue	**1,35,400**	**1,46,910**	**1,39,800**	**1,57,942**	**1,77,680**
EBITDA	23,160	26,390	24,070	27,606	32,332
Depreciation	(13,050)	(14,980)	(13,310)	(16,113)	(16,999)
EBIT	11,490	14,560	13,290	14,586	18,676
Net interest inc./(exp.)	(2,349)	(3,860)	(3,990)	(4,511)	(4,979)
Other inc./(exp.)	1,380	3,150	2,530	3,093	3,343
Exceptional items	3,850	0	(1,130)	0	0
EBT	12,991	10,700	8,170	10,075	13,696
Income taxes	(2,420)	(2,160)	(1,180)	(2,125)	(2,849)
Extraordinary items	0	0	0	0	0
Min. int./Inc. from assoc.	(400)	0	0	(243)	(443)
Reported net profit	**10,171**	**8,540**	**6,990**	**7,707**	**10,404**
Adjustments	3,850	0	(1,130)	0	0
Adjusted net profit	**6,321**	**8,540**	**8,120**	**7,707**	**10,404**

Balance Sheet

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Accounts payables	18,120	20,280	21,983	24,637	26,413
Other current liabilities	20,630	21,130	28,067	20,776	19,769
Provisions	3,200	3,450	4,280	4,175	4,592
Debt funds	39,800	49,610	52,580	58,209	66,391
Other liabilities	14,940	16,480	19,100	20,396	21,176
Equity capital	370	380	380	370	370
Reserves & surplus	1,56,900	1,64,710	1,75,880	1,60,363	1,68,817
Shareholders' fund	1,58,430	1,66,105	1,77,520	1,61,511	1,70,032
Total liab. and equities	**2,55,120**	**2,77,055**	**3,03,530**	**2,89,703**	**3,08,373**
Cash and cash eq.	32,200	44,540	11,570	10,798	11,067
Accounts receivables	7,000	8,360	8,890	10,218	11,693
Inventories	13,160	12,180	13,860	15,695	17,421
Other current assets	30,300	24,870	27,520	27,990	30,018
Investments	5,890	5,900	42,450	4,400	5,900
Net fixed assets	96,351	1,07,626	1,04,598	1,03,745	1,02,892
CWIP	18,590	21,887	41,073	61,302	71,723
Intangible assets	51,629	51,692	53,569	55,555	57,659
Deferred tax assets, net	0	0	0	0	0
Other assets	0	0	0	0	0
Total assets	**2,55,120**	**2,77,055**	**3,03,530**	**2,89,703**	**3,08,373**

Cash Flows

Y/E 31 Mar (Rs mn)	FY23A	FY24A	FY25P	FY26E	FY27E
Cash flow from operations	**19,870**	**26,625**	**22,910**	**11,604**	**18,317**
Capital expenditures	(36,159)	(23,220)	(26,725)	(32,095)	(22,405)
Change in investments	21,800	(9,380)	(6,550)	37,050	(2,000)
Other investing cash flows	0	0	0	0	0
Cash flow from investing	**(14,359)**	**(32,600)**	**(33,275)**	**4,955**	**(24,405)**
Equities issued/Others	250	5	245	(735)	(376)
Debt raised/repaid	6,200	9,810	2,970	5,629	8,183
Interest expenses	0	0	0	0	0
Dividends paid	(1,690)	(1,690)	(1,665)	(1,850)	(1,850)
Other financing cash flows	(9,021)	820	5,845	(21,374)	(100)
Cash flow from financing	**(4,261)**	**8,945**	**7,395**	**(18,330)**	**5,857**
Chg in cash & cash eq.	**1,250**	**2,970**	**(2,970)**	**(1,772)**	**(231)**
Closing cash & cash eq.	**32,200**	**44,540**	**11,570**	**10,798**	**11,067**

Per Share

Y/E 31 Mar (Rs)	FY23A	FY24A	FY25P	FY26E	FY27E
Reported EPS	55.0	44.9	36.8	41.7	56.2
Adjusted EPS	34.2	44.9	42.7	41.7	56.2
Dividend per share	9.1	8.9	8.8	10.0	10.0
Book value per share	856.4	874.2	934.3	873.0	919.1

Valuations Ratios

Y/E 31 Mar (x)	FY23A	FY24A	FY25P	FY26E	FY27E
EV/Sales	2.8	2.5	2.9	2.2	1.8
EV/EBITDA	16.1	14.0	16.9	12.4	9.9
Adjusted P/E	57.8	43.9	46.2	47.4	35.1
P/BV	2.3	2.3	2.1	2.3	2.1

DuPont Analysis

Y/E 31 Mar (%)	FY23A	FY24A	FY25P	FY26E	FY27E
Tax burden (Net profit/PBT)	81.4	79.8	85.6	78.9	79.2
Interest burden (PBT/EBIT)	79.6	73.5	70.0	69.1	73.3
EBIT margin (EBIT/Revenue)	8.5	9.9	9.5	9.2	10.5
Asset turnover (Rev./Avg TA)	53.7	55.2	48.2	53.2	59.4
Leverage (Avg TA/Avg Equity)	1.6	1.6	1.7	1.7	1.8
Adjusted ROAE	4.7	5.3	4.6	4.7	6.5

Ratio Analysis

Y/E 31 Mar	FY23A	FY24A	FY25P	FY26E	FY27E
YoY growth (%)					
Revenue	20.0	8.5	(4.8)	13.0	12.5
EBITDA	(4.7)	13.9	(8.8)	14.7	17.1
Adjusted EPS	(41.9)	31.5	(4.9)	(2.5)	35.0
Profitability & Return ratios (%)					
EBITDA margin	17.1	18.0	17.2	17.5	18.2
EBIT margin	8.5	9.9	9.5	9.2	10.5
Adjusted profit margin	4.7	5.8	5.8	4.9	5.9
Adjusted ROAE	4.7	5.3	4.6	4.7	6.5
ROCE	5.4	6.5	5.5	6.0	7.5
Working capital days (days)					
Receivables	19	21	23	24	24
Inventory	35	30	36	36	36
Payables	59	61	69	69	66
Ratios (x)					
Gross asset turnover	0.6	0.6	0.6	0.6	0.7
Current ratio	2.0	2.0	1.1	1.3	1.4
Net interest coverage ratio	4.9	3.8	3.3	3.2	3.8
Adjusted debt/equity	0.3	0.3	0.3	0.4	0.4

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%

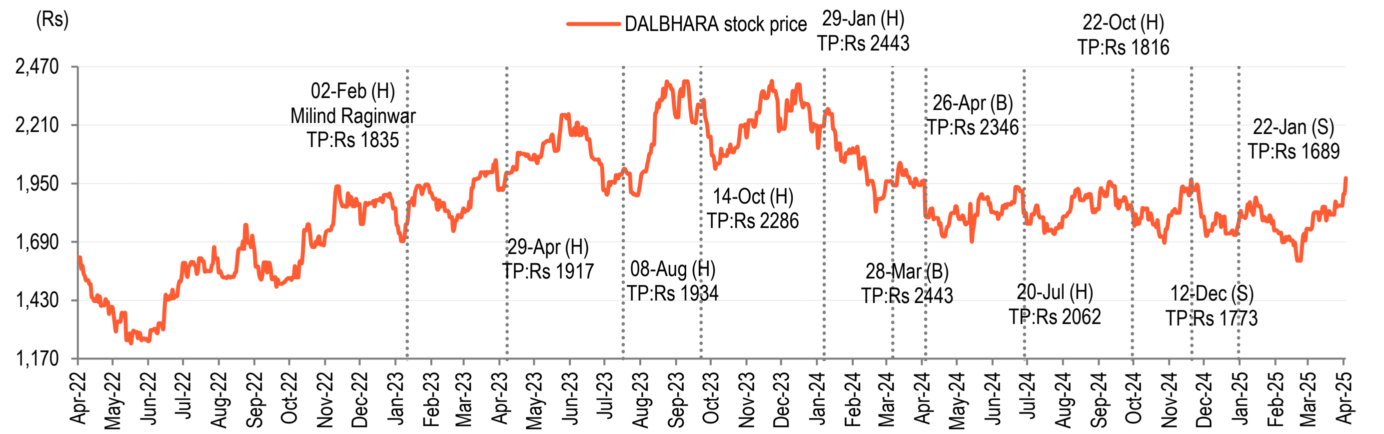
HOLD – Expected return from -6% to +15%

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.