



STOCK UPDATE

Result Update - Q3FY2026

SECTOR

Cement

COMPANY DETAILS

Market cap:	Rs. 41,802 cr
52-week high/low:	Rs. 2,496/1,602
NSE volume: (No of shares)	3.5 lakh
BSE code:	542216
NSE code:	DALMIABHA
Free float: (No of shares)	8.3 cr

Source: NSE, BSE, Mirae Asset Sharekhan Research

SHAREHOLDING (%)

Promoters	55.8
FII	7.9
DII	19.0
Others	17.3

Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE CHART



Source: NSE, BSE, Mirae Asset Sharekhan Research

PRICE PERFORMANCE

(%)	1m	3m	6m	12m
Absolute	10.7	4.4	-1.6	23.9
Relative to Sensex	14.9	7.5	-0.6	16.7

Source: Mirae Asset Sharekhan Research, Bloomberg

Reco/View: **BUY**

CMP: **Rs. 2,229**

Price Target: **Rs. 2,550**

Quick Snapshot

- Consolidated revenue reached Rs. 3,506 crore (+10.2% y-o-y), with EBITDA at Rs. 602 crore (+17.8% y-o-y), led by 9% volume growth (7.3 mt).
- Company commissioned a 3.6 mtpa clinker line in Assam, enhancing regional self-sufficiency; expansion projects in Belgaum, Pune, and Kadapa remain on track.
- Management maintains a Rs. 150–200/tonne cost-reduction roadmap.
- We retain a Buy rating with a PT of Rs. 2,550, the stock trades at 14.4x/12.8x/11.6x FY26E/FY27E/FY28E EV/EBITDA, backed by high cost visibility and a strong balance sheet.

Result overview

- Realisations/tonne improved 1.2% y-o-y to Rs. 4,803, while cost/tonne stood at Rs. 3,978, largely flat y-o-y. EBITDA/tonne increased 8.1% y-o-y to Rs. 825.
- Consolidated revenue was 1.9% above our estimates, while EBITDA was 1.2% ahead of expectations. Volumes at 7.3 mt were 2.3% above our forecast.
- Management indicated that industry demand grew ~7–8% y-o-y in Q3 and expects FY26 industry growth of ~6%.
- Management highlighted that Q3 witnessed price softening beyond the GST pass-through, particularly in the East and South regions. However, early signs of improvement are visible in Q4 and the management remains constructively optimistic on pricing over the medium to long term.
- Management stated that East India remains one of the lowest per capita cement consumption regions, offering significant headroom for growth, especially with continued government-led infrastructure spending.
- Q3 capex stood at Rs. 513 crore and 9 months stand at 1,703 crore, expect to spend Rs. 27 crore by FY26. Looking ahead, FY27 capex is guided at ~Rs. 4,000 crore, with a similar run-rate expected in FY28, as the company advances towards its 75 mtpa capacity target by FY28.

Our Call

Dalmia Bharat's Rs. 150–200/tonne cost reduction roadmap over the next two years remains on track, driven by higher renewable energy usage, logistics optimisation, and operational efficiencies across plants and markets. At CMP, the stock trades at 14.4x/12.8x/11.6x FY26E/FY27E/FY28E EV/EBITDA, which we find reasonable given improving cost visibility, capacity ramp-up, and conservative leverage (net debt/EBITDA at 0.6x). We retain our Buy rating with a price target of Rs. 2,550.

Key Risks

- Pressure on cement demand and prices in the East, Northeast, and South India can affect financial performance.
- Macroeconomic challenges leading to lower government spending on infrastructure and housing sectors can also affect the company's performance.

Valuation

Particulars	FY24	FY25	FY26E	FY27E	FY28E
Revenue	14,691.0	13,980.0	14,834.4	16,540.0	17,909.2
OPM (%)	18.0	17.2	20.4	21.0	21.6
Adjusted PAT	826.0	683.0	1,105.0	1,224.7	1,294.4
y-o-y growth (%)	NA	-17.3	61.8	10.8	5.7
Adjusted EPS (Rs.)	43.5	35.9	58.2	64.5	68.1
P/E (x)	51.3	62.0	38.3	34.6	32.7
P/B (x)	2.6	2.4	2.3	2.2	2.1
EV/EBITDA (x)	15.9	17.6	14.4	12.8	11.6
RoNW (%)	5.2	4.0	6.2	6.5	6.6
RoCE (%)	6.4	5.7	6.3	6.6	6.7

Source: Company; Mirae Asset Sharekhan estimates

Note: CMP as on Jan 21, 2026

Concall highlights

Capacity additions

- Commercial production began at the 3.6 mtpa Umrangso clinker line, making Dalmia fully clinker-backed for ~8 mtpa cement capacity in the Northeast
- Belgaum, Pune, and Kadapa projects progressing well; will help company reach a 61.5 mtpa capacity.
- Company eyes a capacity of ~75 mtpa by FY28 and ~110 mtpa by FY31

Product and Channel mix

- Trade share is at 62%, that of premium products is at 23%, blended share at ~80%
- Renewable energy share is at 48%; while petcoke & coal cost is at ~\$99/tonne, blended fuel cost is at Rs.1.36/kcal. Lead distance reduced to 277 km (vs. 287 km in Q2FY26).
- Renewable energy capacity increased by 23 MW in Q3, taking total to 410 MW; target 448 MW by FY26.
- An about Rs. 50/tonne cost savings achieved so far out of the Rs. 150–200/tonne target.
- Management expects industry-wide, all-India capacity utilisation to hover around ~70%, with capacity growth of 5-6% CAGR and demand growth of ~7-8% CAGR. As a result, structural overcapacity is likely to persist, leading to periodic pricing volatility, though consolidation and rising entry barriers should support pricing over the medium term.

Results Table

Particulars	Q3FY26	Q3FY25	y-o-y	Q2FY26	Rs cr QoQ
Net Sales	3506	3181	10.2	3417	2.6
Total Expenditure	2904	2670	8.8	2721	6.7
Operating profits	602	511	17.8	696	-13.5
Other Income	62	37	67.6	66	-6.1
EBIDTA	664	548	21.2	762	-12.9
Interest	118	101	16.8	122	-3.3
PBDT	546	447	22.1	640	-14.7
Depreciation	340	364	-6.6	322	5.6
PBT	206	83	148.2	318	-35.2
Tax	46	17	170.6	79	-41.8
Extraordinary items	32	0	NA	0	NA
Minority Interest	6	5	20.0	3	100.0
Reported Profit After Tax	122	61	100.0	236	-48.3
Adjusted PAT	154	61	152.5	236	-34.7
EPS	8	3	152.5	13	-34.7
OPMs	17.2	16.1	111	20.4	-320
PAT	4.4	1.9	247	6.9	-251
Tax rate	22.3	20.5	185	24.8	-251

Source: Company; Mirae Asset Sharekhan Research

Additional Data

Top 10 shareholders

Sr. No.	Holder Name	Holding (%)
1	Keshav Power Pvt Ltd	36.42
2	Sita Investment Co Ltd	7.40
3	Kotak Mahindra AMC	6.09
4	Rama Investment CoPvt Ltd	4.83
5	Mirae Asset Financial Group	2.93
6	Life Insurance Corp Of India	2.83
7	SBI Funds Management Ltd	2.79
8	Dalmia Bharat Sugar & Inudstrie td	1.70
9	Dalmia Bharat Refractories Ltd	1.70
10	Dharti Commercial Trading Pvt Ltd	1.68

Source: Bloomberg

Key management personnel

Name	Designation
Puneet Dalmia	CEO and MD
Dharmender Tuteja	CFO
Rajiv Bansal	President

Source: Company Website

Mirae Asset Sharekhan Limited, its analyst or dependant(s) of the analyst might be holding or having a position in the companies mentioned in the article.

DISCLAIMER

This information/document has been prepared by Sharekhan Ltd. and is intended for use only by the person or entity to which it is addressed to. This Document may contain confidential and/or privileged material and is not for any type of circulation, and any review, retransmission, or any other use is strictly prohibited. This information/ document is subject to change without prior notice.

Recommendation in reports based on technical and derivatives analysis is based on studying charts of a stock's price movement, trading volume, and outstanding positions, as opposed to focusing on a company's fundamentals and as such, may not match with a report on a company's fundamentals. However, this would only apply to information/documents focused on technical and derivatives research and shall not apply to reports/documents/information focused on fundamental research.

This information/document does not constitute an offer to sell or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. Though disseminated to all customers who are due to receive the same, not all customers may receive this report at the same time. Mirae Asset Sharekhan will not treat recipients as customers by virtue of their receiving this information/report.

The information contained herein is obtained from publicly available data or other sources believed to be reliable, and Mirae Asset Sharekhan has not independently verified the accuracy and completeness of the said data and hence it should not be relied upon as such. While we would endeavour to update the information herein on a reasonable basis, Mirae Asset Sharekhan, its subsidiaries and associated companies, their directors, and employees ("Mirae Asset Sharekhan and affiliates") are under no obligation to update or keep the information current. Also, there may be regulatory, compliance, or other reasons that may prevent Mirae Asset Sharekhan and its affiliates from doing so. This document is prepared for assistance only and is not intended to be and must not alone be taken as the basis for an investment decision. Recipients of this report should also be aware that past performance is not necessarily a guide to future performance, and the value of investments can go down as well. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. We do not undertake to advise you as to any change of our views. Affiliates of Mirae Asset Sharekhan may have issued other recommendations/ reports that are inconsistent with and reach different conclusions from the information presented in this recommendations/report.

This information/recommendation/report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Mirae Asset Sharekhan and affiliates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to a certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restrictions.

The analyst certifies that the analyst might have dealt or traded directly or indirectly in the securities of the company and that all the views expressed in this document accurately reflect his or her personal views about the subject company or companies and its or their securities and do not necessarily reflect those of Mirae Asset Sharekhan. The analyst and Mirae Asset Sharekhan further certifies that either he or his relatives or Mirae Asset Sharekhan associates might have direct or indirect financial interest or might have actual or beneficial ownership of 1% or more in the securities of the company at the end of the month immediately preceding the date of publication of the research report. The analyst and Mirae Asset Sharekhan encourage independence in research report/ material preparation and strive to minimize conflict in the preparation of the research report. The analyst and Mirae Asset Sharekhan do not have any material conflict of interest or have not served as officers, directors or employees or engaged in market-making activity of the company. The analyst and Mirae Asset Sharekhan have not been a part of the team which has managed or co-managed the public offerings of the company, and no part of the analyst's compensation was, is or will be, directly or indirectly related to specific recommendations or views expressed in this document. Sharekhan Ltd, or its associates, or analysts have not received any compensation for investment banking, merchant banking, brokerage services or any compensation or other benefits from the subject company or from a third party in the past twelve months in connection with the research report.

Either Mirae Asset Sharekhan or its affiliates or its directors or employees/representatives/clients or their relatives may have position(s), make market, act as principal or engage in transactions of purchase or sell of securities, from time to time or may be materially interested in any of the securities or related securities referred to in this report and they may have used the information set forth herein before publication. Mirae Asset Sharekhan may from time to time solicit from, or perform investment banking or other services for, any company mentioned herein. Without limiting any of the foregoing, in no event shall Mirae Asset Sharekhan, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind.

Forward-looking statements (if any) are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment. These statements are not a guarantee of future performance, and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Sharekhan Ltd and its affiliates undertake no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, except as required by applicable securities laws. The reader/investors are cautioned not to place undue reliance on forward-looking statements and use their independent judgment before taking any investment decision.

Investment in securities market are subject to market risks, read all the related documents carefully before investing. The securities quoted are for illustration only and are not recommendatory. Registration granted by SEBI, and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

Mirae Asset Sharekhan has been ranked as India's No.1 Retail Broker by Asiamoney Brokers Poll 2023. For more details, visit bit.ly/AsiamoneyPoll

Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com

Registered Office: 1st Floor, Tower No. 3, Equinox Business Park, LBS Marg, Off BKC, Kurla (West), Mumbai 400 070, Maharashtra, India. Tel: 022-67502000.

Correspondence/Administrative Office Address - Gigaplex IT Park, Unit No 1001, 10th floor, Building No.9, TTC Industrial Area, Digha, Airoli-West, Navi Mumbai - 400708. Tel: 022 61169000 / 61150000.

Registration and Contact Details: Name of Research Analyst - Sharekhan Limited - (AMFI-registered Mutual Fund Distributor), Research Analyst Regn No.: INH000006183. CIN: U99999MH1995PLC087498.

SEBI Regn. Nos.: BSE / NSE (CASH / F&O / CD) / MCX - Commodity: INZ000171337; BSE - 748, NSE - 10733, MCX - 56125, DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669 (date of initial registration: 03/07/2004, and valid till 02/07/2026); IRDAI Registered Corporate Agent (Composite) License No. CA0950, valid till June 13, 2027.

Compliance Officer: Mr. Joby John Meledan; Tel: 022-4657 3809; email id: complianceofficer@sharekhan.com

For any complaints/ grievances, email us at igc@sharekhan.com, or you may even call the Customer Service desk on 022-41523200/ 022-61151111.