INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **BSE:** BSE delivered a strong quarter with revenue rising 16.4% QoQ and 60.8% YoY, led by sustained traction in transaction revenue and strong book-building and listing fees. Adjusted PAT (ex-labor laws provision, additional SGF, and impairment) came in at INR 6.5bn vs our estimate of INR 6.2bn. Transaction revenue, contributing 77% of total revenue, surged 26% QoQ on continued gains in options market share and recovery in industry volumes. BSE's options premium market share improved to 26.8% in Q3FY26 vs 24.4% in Q2, with premium ADTV of INR 195bn (+30% QoQ), and further rose to 30% in Jan-26. Adjusted EBITDA margin expanded 97bps QoQ to 65.6% (reported 62.5%), while SGF contribution stood at INR 0.46bn (~5% of transaction revenue), higher than the mandated threshold. Colocation revenue was stable at INR 0.48bn vs INR 0.46bn in Q2, and BSE plans to add 20 racks by Q4, taking the total to 500 to support future growth. The share of longer-dated options rose to 5%, with management targeting further growth through higher institutional participation. We raise EPS estimates by 8-10% on better volumes, projecting robust FY25–28E revenue/EPS CAGRs of ~30/36%. We maintain an ADD rating with a revised TP of INR 3,310, based on 42x core FY28E PAT plus CDSL stake and net cash ex SGF; the stock trades at 43x/37x FY27/28E EPS.
- **Navin Fluorine International:** Navin Fluorine International's (NFIL) strategy is to deepen wallet share within its existing customer base by leveraging its established marketing network, broadening its product portfolio, and building on long-standing client relationships, which will help drive growth across all business verticals. The CDMO business remains focused on select marquee global customers, with an emphasis on scaling revenues from commercial projects and late-stage molecules to secure more stable revenue streams, supported by its sustained engagement with leading innovator pharma clients. Concise to that, NFIL has commissioned cGMP 4 phase 1 with a capex of INR 1.6bn. HPP business and speciality chemical business will be led by deepening relations with existing customers and ramp-up in facilities. Changing global supply chain dynamics and incremental capex in the refgas business will help in ramping up the HPP business. EBITDA is expected to improve from INR 5.3bn in FY25 to INR 14.51bn in FY29 while EBITDA margins are expected to improve by 720bps to 29.9%, supported by inflection in the CDMO business and improved realization in refgas business with support of backward integration in AHP. Thus, we retain a BUY on NFIL with a target price of INR 7,260. EBITDA and APAT was 10% and 7.6% above our estimates.
- **The Ramco Cements:** We maintain SELL on The Ramco Cements (TRCL) with a lower target price of INR 920/share (12x FY28E consolidated EBITDA). TRCL's subdued profitability should keep its leverage high (we estimate net debt to EBITDA will remain >2x during FY26-27E) and return ratios low. In Q3FY26, TRCL's volume growth remained subdued at ~5% YoY. Even NSR fell 7% QoQ which dented margin to a 13-quarter low of INR 610/MT. We estimate its consolidated volume/EBITDA will grow at 7/19% CAGR during FY25-28E.

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- **Mahanagar Gas:** Our BUY recommendation on Mahanagar Gas (MGL) with a target price of INR 1,880 is premised on a strong 10% volume CAGR over FY25-27E, led by accelerated addition of retail outlets, customer additions in the industrial segment, and continued firm CNG vehicle registration. The Q3FY26 consolidated EBITDA came in at INR 3.52bn (+8.4% YoY, +4.2% QoQ) and consolidated PAT was at INR 2.01bn (-9.1% YoY, +5.2% QoQ). The sequential improvement in profitability owed to lower raw material cost, which was partially offset by higher operating expense.
- **Star Cement:** We maintain BUY on Star Cement with an unchanged TP of INR 290/share (12x FY28E consolidated EBITDA). Star continues to shine, riding on the benefits of duopolistic position in the lucrative NE region (NER), along with high incentive accruals from recent expansions. Its profitability also benefits from cost controls and rising share of green energy. In Q3FY26, Star's solid volume performance continued: +22% YoY. Despite a fall in incentive accruals by INR 184/MT QoQ and weak pricing, unit EBITDA fell a modest INR 57/MT QoQ and remained industry best at INR 1,562/MT. Star's plans include near doubling its capacity over the next four years as it is expanding capacity in Assam and is setting up greenfield capacities in Bihar, Rajasthan, and Haryana. It will raise equity capital to part-fund the same to keep leverage under control.
- **Bajaj Electricals:** Revenue was down 19% YoY to INR 10.51bn (2-year CAGR: -8%), primarily due to 25% de-growth in consumer products segment (74% revenue mix), while lighting segment (26% revenue mix) grew by 9%. Consumer products segment EBIT margin declined 960bps YoY to negative 4.6% (-550bps QoQ). Lighting segment EBIT margin improved 470bps YoY to 6.7% but down sequentially 110bps. EBITDAM declined 550bps YoY to 1.2%, hitting an 18-quarter low, leading EBITDA decline of 85% YoY and negative APAT. Management indicated that consumer products witnessed de-growth across categories due to high channel inventory levels, while margins were impacted by operating de-leverage and discounts offered. It highlighted that channel inventory has been broadly normalized, with the exception of summer products, which should normalize as seasonal demand strengthens. The company has initiated a review of key processes to enhance cost efficiency and margin improvement. Factoring weak Q3 performance, we cut our revenue estimates by 7% each and APAT by 43/10/9% for FY26/27/28E respectively. We maintain a REDUCE rating with a lowered target price of INR 375/share, based on 28x Mar-28E EPS.

BSE

Strong growth momentum

BSE delivered a strong quarter with revenue rising 16.4% QoQ and 60.8% YoY, led by sustained traction in transaction revenue and strong book-building and listing fees. Adjusted PAT (ex-labor laws provision, additional SGF, and impairment) came in at INR 6.5bn vs our estimate of INR 6.2bn. Transaction revenue, contributing 77% of total revenue, surged 26% QoQ on continued gains in options market share and recovery in industry volumes. BSE's options premium market share improved to 26.8% in Q3FY26 vs 24.4% in Q2, with premium ADTV of INR 195bn (+30% QoQ), and further rose to 30% in Jan-26. Adjusted EBITDA margin expanded 97bps QoQ to 65.6% (reported 62.5%), while SGF contribution stood at INR 0.46bn (~5% of transaction revenue), higher than the mandated threshold. Colocation revenue was stable at INR 0.48bn vs INR 0.46bn in Q2, and BSE plans to add 20 racks by Q4, taking the total to 500 to support future growth. The share of longer-dated options rose to 5%, with management targeting further growth through higher institutional participation. We raise EPS estimates by 8-10% on better volumes, projecting robust FY25–28E revenue/EPS CAGRs of ~30/36%. We maintain an ADD rating with a revised TP of INR 3,310, based on 42x core FY28E PAT plus CDSL stake and net cash ex SGF; the stock trades at 43x/37x FY27/28E EPS.

- **Q3FY26 highlights**: Revenue grew 16.4/60.8% QoQ/YoY to ~INR 12.4bn (vs our estimates of ~INR 12.4bn), led by +20.0/78.4% QoQ increase in transaction/book building income, supported by an increase in all other revenue segments other than cash segment income (-3.7% QoQ). The transaction revenue growth was driven by the derivatives segment (25.6% QoQ) and Star MF grew marginally by 4% sequentially. The EBITDA margin stood at 62.5% vs 64.7% in Q2. Margin contraction was led by 31.7/27.5/18.2/17.5/12.7% increase in employee cost/SEBI regulatory fees/other expenses/clearing fees and technology fees respectively. SGF contribution in the quarter stood at INR 0.46bn and reported PAT stood at INR 6.02bn vs our PAT estimate of INR 6.23bn. The derivative UCC stood at 9.5mn vs 8.7mn in Sep 2025 and 567 registered members.
- **Outlook:** We expect revenue growth of +58.7/19.8/15.9% and EBITDA margins of 64.5/65.3/66.0% in FY26/27/28E respectively. Revenue CAGR of 30.1% over FY25-28E assumes derivatives revenues of INR 30/37/44bn in FY26/27/28E. Core PAT CAGR over FY25-28E is at 35.8%.

Quarterly financial summary

YE March (INR mn)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Revenues	12,441	7,735	60.8	10,684	16.4	13,900	29,742	47,198	56,556	65,561
EBITDA	7,778	4,357	78.5	6,909	12.6	6,477	15,929	30,448	36,946	43,249
PAT	6,018	2,197	174.0	5,584	7.8	7,784	13,259	24,026	28,518	33,202
APAT	6,018	2,197	174.0	5,584	7.8	5,364	13,259	24,026	28,518	33,202
Diluted EPS (Rs)	15	5	174.0	14	7.8	13	33	59	70	82
P/E (x)							91.4	50.4	42.5	36.5
EV/EBITDA							74	39	32	27
ROE (%)						25.9	34.3	48.2	41.5	39.5

Source: Company, HSIE Research, Consolidated Financials

Change in estimates

YE March (INR mn)	FY26E Old	FY26E Revised	Change %	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %
Revenue	45,367	47,198	4.0	51,301	56,556	10.2	58,704	65,561	11.7
EBITDA	29,509	30,448	3.2	33,640	36,946	9.8	38,809	43,249	11.4
EBITDA margin (%)	65.0	64.5	-53bps	65.6	65.3	-25bps	66.1	66.0	-14bps
APAT	23,393	24,026	2.7	26,250	28,518	8.6	30,098	33,202	10.3
EPS (INR)	57.7	59.2	2.5	64.8	70.2	8.4	74.3	81.8	10.1

Source: Company, HSIE Research

ADD

CMP *(as on 09 Feb 2026)*	INR 2,986
Target Price	INR 3,310
NIFTY	25,867

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,000	INR 3,310
EPS %	FY27E	FY28E
	+8.4	+10.1

KEY STOCK DATA	
Bloomberg code	BSE IN
No. of Shares (mn)	408
MCap (INR bn) / ($ mn)	1,218/13,415
6m avg traded value (INR mn)	12,111
52 Week high / low	INR 3,030/1,226

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	11.5	24.7	56.5
Relative (%)	10.4	19.5	48.5

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	0.00	0.00
FIs & Local MFs	19.91	23.74
FPIs	16.25	17.45
Public & Others	63.85	58.73
Pledged Shares	0.00	0.00

Source : NSE

Pledged shares as % of total shares

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Navin Fluorine International

Speciality chemical business drives revenue

BUY

CMP (*As on 09 Feb 2026*)	INR 6,598
Target Price	INR 7,260
NIFTY	25,867

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 7,000	INR 7260
EPS %	FY26E	FY27E
	+16.8%	+2.5%

KEY STOCK DATA	
Bloomberg code	NFIL IN
No. of Shares (mn)	51
MCap (INR bn) / ($ mn)	338/3,725
6m avg traded value (INR mn)	1,138
52 Week high / low	INR 6,635/3,566

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	10.5	37.1	56.3
Relative (%)	9.5	31.8	48.3

SHAREHOLDING PATTERN (%)	Sept-25	Dec-25
Promoters	27.14	27.14
FIs & Local MFs	29.57	28.09
FPIs	22.15	23.74
Public & Others	21.16	21.06
Pledged Shares		

Source : BSE

Navin Fluorine International's (NFIL) strategy is to deepen wallet share within its existing customer base by leveraging its established marketing network, broadening its product portfolio, and building on long-standing client relationships, which will help drive growth across all business verticals. The CDMO business remains focused on select marquee global customers, with an emphasis on scaling revenues from commercial projects and late-stage molecules to secure more stable revenue streams, supported by its sustained engagement with leading innovator pharma clients. Concise to that, NFIL has commissioned cGMP 4 phase 1 with a capex of INR 1.6bn. HPP business and speciality chemical business will be led by deepening relations with existing customers and ramp-up in facilities. Changing global supply chain dynamics and incremental capex in the refgas business will help in ramping up the HPP business. EBITDA is expected to improve from INR 5.3bn in FY25 to INR 14.51bn in FY29 while EBITDA margins are expected to improve by 720bps to 29.9%, supported by inflection in the CDMO business and improved realization in refgas business with support of backward integration in AHP. Thus, we retain a BUY on NFIL with a target price of INR 7,260. EBITDA and APAT was 10% and 7.6% above our estimates.

- **Financial performance:** In Q3FY26, revenue increased by +47.2/+17.7% YoY/QoQ% to INR 8,924mn. EBITDA margin improved by +1,017/+201 bps YoY/QoQ bps to 34.5%, owing to improved realization in both HPP and CDMO business and operating leverage in spec chem business. EBITDA came in at INR 3,076mn (+109/+25% YoY/QoQ.
- **Specialty chemical (40% of revenue):** Revenue in the quarter changed by +60.2/+60.9% YoY/QoQ to INR 3,540mn. Growth in revenue was majorly led by improved utilization of Nectar plant. Management expects better offtake in volume over FY27 due to improved outlook and strong visibility.
- **HPP business (46% of revenue):** Revenue in the quarter changed by +34.6% YoY while majorly remaining in line with Q2 to INR 4,120mn. Growth was led by improved realization and volume in the quarter. R32 plant is almost running at full utilization. NFIL commissioned AHF plant in Q3FY26, which will be majorly consumed internally.
- **CDMO business (14% of revenue):** Revenue changed by +60.7/-5.2% YoY/QoQ% to INR 1,240mn. NFIL completed validation and commercial supplies started at cGMP4 phase 1. Another EU major has provided scale-up orders in Q4FY26. There is balance of 50/50% in late stage and early stage molecules in pipeline. Management expects readouts for more than one molecule in FY27, which can move toward commercialization.
- **Change in estimates:** We change our FY26/FY27/FY28E EPS estimates by +16.8/+2.5/+1.8% to INR 121.4/143.8/163.1x due to better-than-expected performance in Q3.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	*QoQ (%)*	3Q FY25	*YoY (%)*	FY25	FY26E	FY27E	FY28E	FY29E
Net Sales	8,924	7,584	*17.7*	6,062	*47.2*	23,494	31,505	36,002	42,125	48,514
EBITDA	3,076	2,462	*25.0*	1,473	*108.8*	5,337	10,004	10,721	12,458	14,515
APAT	1,854	1,484	*25.0*	836	*121.8*	2,887	6,216	7,358	8,350	10,064
AEPS (INR)	36.2	29.0	*25.0*	16.3	*121.8*	56.4	121.4	143.8	163.1	196.6
P/E (x)						89.8	41.7	35.2	31.1	25.8
EV/EBITDA(x)						65.0	34.0	31.7	26.9	22.8
RoE (%)						11.5	19.2	17.9	17.7	18.6

Source: Company, HSIE Research

Change in estimates (consolidated)

Y/E Mar	FY26E Old	FY26E New	%Ch	FY27E Old	FY27E New	%Ch	FY28E Old	FY28E New	%Ch
EBITDA (INR mn)	8,966	10,004	*11.6*	10,515	10,721	*2.0*	12,282	12,458	*1.4*
Adj. EPS (INR/sh)	104.0	121.4	*16.8*	140.3	143.8	*2.5*	160.3	163.1	*1.8*

Source: Company, HSIE Research

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The Ramco Cements

Subdued volumes; margin at a 13-quarter low!

We maintain SELL on The Ramco Cements (TRCL) with a lower target price of INR 920/share (12x FY28E consolidated EBITDA). TRCL's subdued profitability should keep its leverage high (we estimate net debt to EBITDA will remain >2x during FY26-27E) and return ratios low. In Q3FY26, TRCL's volume growth remained subdued at ~5% YoY. Even NSR fell 7% QoQ which dented margin to a 13-quarter low of INR 610/MT. We estimate its consolidated volume/EBITDA will grow at 7/19% CAGR during FY25-28E.

- **Q3FY26 performance:** TRCL's sales volume rose a modest 5/1% YoY/QoQ. Cement sales in the south rose 5% YoY while it fell 1% in the east. Trade share stood at 67% vs 69/67% QoQ/YoY. Overall premium sales' share stood at 28% vs 25/29% YoY/QoQ. NSR fell sharply: down 7% QoQ on price correction across south and east. Unit opex fell 2% QoQ owing to lower employee and other expenses while its fuel cost rate increased by ~INR 40/MT and green lower share remained flattish. Lower NSR thus pulled down unit EBITDA by INR 243 to INR 610. On a YoY basis, despite 1% higher NSR, unit EBITDA fell by INR 29/MT due to the impact of increased royalty on limestone mining in Tamil Nadu and higher fixed costs. Net debt to EBITDA remained elevated at 3x in Dec'25 vs 3.3x QoQ.
- **Other updates and outlook**: TRCL spent INR 2.22/8.23bn in gross capex in Q3/9MFY26. It would spend INR 2.8bn in Q4FY26. Its planned expansion to 30mn MT is delayed and is expected to be fully completed by the end of FY27. Factoring in disappointing performance in Q3FY26, we have lowered our EBITDA estimates by 3/8/8% respectively. We estimated consolidated volume/EBITDA CAGRs of 7/19% respectively. Amid lower profitability, we have deferred its Karnataka expansion to FY29E. We have modelled cumulative capex of INR 34bn for FY26-28E. We estimate net debt to EBITDA will reduce gradually to 2.8/2.4/1.9x in Mar'26/27/28E from 3x currently.

Quarterly/annual financial summary - consolidated

YE Mar (INR bn)	Q3 FY26	Q3 FY25	*YoY (%)*	Q2 FY26	*QoQ (%)*	FY24	FY25	FY26E	FY27E	FY28E
Sales (mn MT)	4.6	4.4	*5.1*	4.5	*0.9*	18.4	18.5	18.9	20.8	22.8
NSR (INR/MT)	4,591	4,544	*1.0*	4,922	*(6.7)*	5,095	4,605	4,812	4,812	4,884
EBITDA(INR/MT)	610	639	*(4.6)*	853	*(28.5)*	850	666	810	842	899
Net Sales	21.06	19.83	*6.2*	22.39	*(5.9)*	93.76	85.18	90.80	99.88	111.51
EBITDA	2.80	2.79	*0.3*	3.88	*(27.9)*	15.65	12.33	15.28	17.49	20.53
APAT	3.85	1.83	*110.1*	0.76	*408.0*	3.60	1.23	2.14	4.67	6.86
AEPS (INR)	(3.0)	(0.3)	*1,030.1*	3.3	*(190.6)*	15.2	5.2	9.0	19.8	29.0
EV/EBITDA (x)						15.6	19.5	21.0	18.4	15.3
EV/MT (INR bn)						10.5	9.8	11.7	10.4	10.1
P/E (x)						56.4	164.9	133.0	60.8	41.4
RoE (%)						5.1	*1.7*	*2.8*	*5.6*	*7.8*

Source: Company, HSIE Research

SELL

CMP *(as on 09 Feb 2026)*	INR 1,205
Target Price	INR 920
NIFTY	25,867

KEY CHANGES		OLD	NEW
Rating		SELL	SELL
Price Target		INR 970	INR 920
EBITDA revision %	FY26E *(2.5)*	FY27E *(8.4)*	FY28E *(8.2)*

KEY STOCK DATA	
Bloomberg code	TRCL IN
No. of Shares (mn)	236
MCap (INR bn) / ($ mn)	285/3,137
6m avg traded value (INR mn)	322
52 Week high / low	INR 1,215/788

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	16.6	12.4	34.7
Relative (%)	15.6	7.1	26.7

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	42.56	42.56
FIs & Local MFs	28.49	28.14
FPIs	8.15	7.98
Public & Others	20.80	21.32
Pledged Shares	1.46	1.46

Source : BSE

Pledged shares as % of total shares

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Mahanagar Gas

Lower gas costs lift margins

BUY

CMP *(as on 09 Feb 2026)*	INR 1,181
Target Price	INR 1,880
NIFTY	25,867

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,880	INR 1,880
EPS %	FY26E	FY27E
	0.0%	0.0%

KEY STOCK DATA	
Bloomberg code	MAHGL IN
No. of Shares (mn)	99
MCap (INR bn) / ($ mn)	117/1,285
6m avg traded value (INR mn)	336
52 Week high / low	INR 1,587/1,019

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(2.8)	(10.5)	(13.1)
Relative (%)	(3.9)	(15.8)	(21.1)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	32.50	32.50
FIs & Local MFs	22.52	22.89
FPIs	25.48	23.60
Public & Others	19.50	21.01
Pledged Shares	0.0	0.0

Source : BSE

Our BUY recommendation on Mahanagar Gas (MGL) with a target price of INR 1,880 is premised on a strong 10% volume CAGR over FY25-27E, led by accelerated addition of retail outlets, customer additions in the industrial segment, and continued firm CNG vehicle registration. The Q3FY26 consolidated EBITDA came in at INR 3.52bn (+8.4% YoY, +4.2% QoQ) and consolidated PAT was at INR 2.01bn (-9.1% YoY, +5.2% QoQ). The sequential improvement in profitability owed to lower raw material cost, which was partially offset by higher operating expense.

- **Standalone volume growth at 3.4%YoY:** MGL's quarterly standalone volume grew by 3.4% YoY to 4.62mmscmd. CNG/PNG volume came in at 3.28/1.34mmscmd (+0.2/11.9% YoY). Industrial and commercial segment and DPNG volume stood at 0.74/0.60mmscmd (+13.8/9.5% YoY).
- **Margins improve:** Standalone per unit gross margin improved to INR 15.1/scm (+19.5% YoY, +2.3% QoQ). Per unit opex stood at INR 6.8/scm (+25.2% YoY, +0.7% QoQ) and standalone EBITDA increased to INR 8.3/scm (+15.1% YoY, +3.6% QoQ). Better gas sourcing mix has resulted in a fall in per unit raw material cost in the quarter.
- **Conference call takeaways:** (1) **CNG** - Mumbai's volume growth remained muted at ~2% YoY due to land scarcity for new stations and BEST bus felt size reducing from 3,000 to a few hundreds. In addition, pipeline disruption during the quarter caused a volume loss of 1%. 35-40% of CNG revenue comes from private cars and taxis, 35-40% from three-wheelers, ~8% from state transport undertakings and balance from commercial goods vehicles and private buses. MGL undertook a price hike of INR 1.5/kg in order to maintain margins amidst rising Henry Hub prices. (2) **PNG -** Industrial and commercial PNG segment volume was impacted in the quarter due to the pipeline disruption. While realization from the I&C PNG segment was lower in Q3FY26 due to lower Brent crude prices, management expects realization to improve as Brent crude prices inch upwards.(3) **Gas sourcing** – ~39% of the total demand was met through APM gas, 6% through New Well Gas, ~ 30% from HH linked contracts and the remining demand of ~25% was met through Brent-linked contracts. MGL replaced some amount of HH linked contracts with HPHT and spot gas in Q3 in order to manage raw material cost. (4) MGL aims to report a double-digit volume growth in Q4 and maintain this growth through FY27. The company has maintained its long-term margin guidance range of INR 8-9/scm.
- **DCF-based valuation:** We maintain BUY with a target price of INR 1,880/sh, based on Mar-27E free cash flow (WACC 10.5%, terminal growth rate 2%). The stock is currently trading at 9.9x Mar-27E EPS.

Financial Summary

YE March (INR bn)	*Q3 FY26	*Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*	FY28E*
Revenue	20.6	20.5	0.4	17.6	17.1	62.45	69.24	84.29	104.03	115.94
EBITDA	3.5	3.4	4.2	3.1	12.0	18.43	15.10	17.31	19.37	21.53
APAT	2.0	1.9	4.4	2.3	(10.4)	13.38	10.92	11.68	12.72	13.79
AEPS (INR)	20.4	19.6	4.4	22.8	(10.4)	135.39	110.54	118.26	128.80	139.60
P/E (x)	20.6	20.5	0.4	17.6	17.1	9.4	11.5	10.8	9.9	9.1
EV / EBITDA (x)	3.5	3.4	4.2	3.1	12.0	6.0	7.4	6.3	5.4	4.6
RoE (%)	2.0	1.9	4.4	2.3	(10.4)	28.8	19.8	18.7	18.2	17.8

Source: Company, HSIE Research | *Including UEPL numbers

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Star Cement

Stellar performance continues quarter after quarter

We maintain BUY on Star Cement with an unchanged TP of INR 290/share (12x FY28E consolidated EBITDA). Star continues to shine, riding on the benefits of duopolistic position in the lucrative NE region (NER), along with high incentive accruals from recent expansions. Its profitability also benefits from cost controls and rising share of green energy. In Q3FY26, Star's solid volume performance continued: +22% YoY. Despite a fall in incentive accruals by INR 184/MT QoQ and weak pricing, unit EBITDA fell a modest INR 57/MT QoQ and remained industry best at INR 1,562/MT. Star's plans include near doubling its capacity over the next four years as it is expanding capacity in Assam and is setting up greenfield capacities in Bihar, Rajasthan, and Haryana. It will raise equity capital to part-fund the same to keep leverage under control.

- **Q3FY26 performance:** Consol volume rose 22% YoY, aided by higher clinker sales while cement volume rose 16%. Cement sales in the NER firmed up 13% YoY and outside NER volume rose 28% YoY. Incentive accrual reduced to INR 293/MT vs INR 477/MT QoQ, post the reduction in GST rate w.e.f. Sep-25. This along with fall in cement prices drove down NSR by 2% QoQ. The fall appears lower owing to higher sales QoQ in higher-priced NER. Opex fell 1% QoQ on op-lev gain (+10% QoQ volume rise) which more than offset for 6% higher logistics cost (trucks freight cost went up in Meghalaya). Thus, unit EBITDA cooled off a modest INR 57/MT QoQ to INR 1,562 (+INR 586 YoY despite lower incentives).
- **Outlook:** STRCEM's Q4FY26 volume guidance implies FY26 growth at a robust 17%. It also expects strong growth in FY27E on continued capacity ramp-up. It also noted that cement prices have remained flat vs Q3FY26 exit. STRCEM lowered FY26 capex guidance to INR 5.8bn and will share FY27 capex guidance later as it is finalizing its north expansion plan. The 2mn MT SGU at Silchar is due for commissioning in Q4FY26. STRCEM plans to set up 2mn MT SGU in Bihar by FY28. The Jorhat SGU will be taken up later along with a greenfield plant in Assam. As per earlier guidance, it is also acquiring mining and plant land in Jaisalmer to set up IU for an investment of INR 20-25bn (estimated by late FY29). We raise FY26E EBITDA estimates by 4%, factoring in healthy performance. We maintain our FY27/28E EBITDA estimates. We estimate consolidated volume/EBITDA/APAT CAGR of 12/19/30% for FY25-28E.

Quarterly/annual financial summary (consolidated)

YE Mar (INR mn)	Q3 FY26	Q3 FY25	*YoY (%)*	Q2 FY26	*QoQ (%)*	FY24	FY25	FY26E	FY27E	FY28E
Sales Vol (mn MT)	1.30	1.07	*21.5*	1.17	*10.4*	4.44	4.73	5.44	5.99	6.58
NSR (INR/MT)	6,790	6,736	*0.8*	6,907	*(1.7)*	6,554	6,687	6,887	6,715	6,715
EBITDA (INR/MT)	1,562	977	*60.0*	1,620	*(3.5)*	1,253	1,223	1,663	1,467	1,467
Net Sales	8,800	7,188	*22.4*	8,109	*8.5*	29,107	31,634	37,477	40,195	44,214
EBITDA	2,025	1,042	*94.3*	1,902	*6.5*	5,563	5,786	9,051	8,781	9,659
APAT	783	90	*766.1*	711	*10.2*	2,951	1,690	3,786	3,533	3,721
AEPS (INR)	1.9	0.2	*766.1*	1.8	*10.2*	7.3	4.2	9.4	8.7	9.2
EV/EBITDA (x)						14.6	15.3	9.8	9.9	9.2
EV/MT (INR bn)						10.6	11.5	9.2	9.0	7.6
P/E (x)						29.1	50.9	23.6	25.3	24.0
RoE (%)						11.5	*6.0*	*12.4*	*10.5*	*10.1*

Source: Company, HSIE Research

BUY

CMP *(as on 09 Feb 2026)*	**INR 221**
Target Price	**INR 290**
NIFTY	**25,867**

KEY CHANGES	**OLD**		**NEW**
Rating	BUY		BUY
Price Target	INR 290		INR 290
EPS	FY26E	FY27E	FY28E
Change %	*3.7*	*0.1*	*0.1*

KEY STOCK DATA	
Bloomberg code	STRCEM IN
No. of Shares (mn)	404
MCap (INR bn) / ($ mn)	90/987
6m avg traded value (INR mn)	125
52 Week high / low	INR 309/197

STOCK PERFORMANCE (%)	**3M**	**6M**	**12M**
Absolute (%)	(10.1)	(14.7)	4.2
Relative (%)	(11.1)	(20.0)	(3.8)

SHAREHOLDING PATTERN (%)	**Sep-25**	**Dec-25**
Promoters	57.59	57.62
FIs & Local MFs	4.38	4.48
FPIs	2.96	2.47
Public & Others	35.07	35.43
Pledged Shares	0.77	0.77

Source : BSE

Pledged shares as % of total shares

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Bajaj Electricals

Another weak performance; 18-quarter low margin

Revenue was down 19% YoY to INR 10.51bn (2-year CAGR: -8%), primarily due to 25% de-growth in consumer products segment (74% revenue mix), while lighting segment (26% revenue mix) grew by 9%. Consumer products segment EBIT margin declined 960bps YoY to negative 4.6% (-550bps QoQ). Lighting segment EBIT margin improved 470bps YoY to 6.7% but down sequentially 110bps. EBITDAM declined 550bps YoY to 1.2%, hitting an 18-quarter low, leading EBITDA decline of 85% YoY and negative APAT. Management indicated that consumer products witnessed de-growth across categories due to high channel inventory levels, while margins were impacted by operating de-leverage and discounts offered. It highlighted that channel inventory has been broadly normalized, with the exception of summer products, which should normalize as seasonal demand strengthens. The company has initiated a review of key processes to enhance cost efficiency and margin improvement. Factoring weak Q3 performance, we cut our revenue estimates by 7% each and APAT by 43/10/9% for FY26/27/28E respectively. We maintain a REDUCE rating with a lowered target price of INR 375/share, based on 28x Mar-28E EPS.

- **Q3FY26 highlights:** Revenue down 19% YoY to INR 10.51bn (2-year CAGR: -8%), primarily due to 25% de-growth in consumer products segment (74% revenue mix), while lighting segment (26% revenue mix) grew by 9%. Gross margins declined by 80bps YoY to 30.4% (-140bps QoQ). Consumer products segment's EBIT margin declined 960bps YoY to negative 4.6% (-550bps QoQ). Lighting segment's EBIT margin improved 470bps YoY to 6.7% but was down sequentially 110bps. EBITDAM declined 550bps YoY to 1.2% (-440bps QoQ), hitting an 18-quarter low owing to lower gross margin, increase in other expenses (up 380bps YoY), and employee costs (up 100bps YoY), driven by negative op-leverage. While in absolute terms, employee costs declined 8% YoY, while other expenses remained flat YoY. So, EBITDA declined 85% YoY and APAT turned negative.
- **Earnings call takeaways and valuation:** Management indicated that consumer products witnessed de-growth across categories due to high channel inventory levels, while margins were impacted by operating de-leverage and discounts offered. It highlighted that channel inventory has been broadly normalized, with the exception of summer products, which should normalize as seasonal demand strengthens. The company has initiated a review of key processes to enhance cost efficiency and margin improvement. It noted rising commodity costs as an ongoing challenge; however, the company implemented price hikes of 2-5% to offset these increases, covering the majority of the commodity cost escalation. Factoring in weak Q3 performance, we cut our revenue estimates by 7% each and APAT by 43/10/9% for FY26/27/28E respectively. We maintain a REDUCE rating with a lowered target price of INR 375/share, based on Mar-28E EPS.

Financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	10,509	12,897	(18.5)	11,071	(5.1)	46,413	48,284	45,194	48,686	52,089
EBITDA	129	874	(85.2)	619	(79.1)	2,597	3,075	2,092	3,291	3,520
APAT	(78)	334	(123.4)	146	(153.5)	1,359	1,121	537	1,439	1,554
EPS (INR)	(0.7)	2.9	(123.4)	1.3	(153.5)	11.8	9.7	4.7	12.5	13.5
P/E (x)						34.2	41.5	86.6	32.3	29.9
EV/EBITDA (x)						16.7	14.5	21.1	13.4	12.5
RoE (%)						8.1	7.5	3.4	8.9	9.2

Source: Company, HSIE Research

REDUCE

CMP *(as on 09 Feb 2026)*	INR 409
Target Price	INR 375
NIFTY	25,867

KEY CHANGES	OLD	NEW
Rating	REDUCE	REDUCE
Price Target	INR 415	INR 375
EPS %	FY26E	FY27E
	-43.0	-9.8

KEY STOCK DATA	
Bloomberg code	BJE IN
No. of Shares (mn)	115
MCap (INR bn) / ($ mn)	47/519
6m avg traded value (INR mn)	227
52 Week high / low	INR 749/383

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(18.0)	(30.1)	(43.8)
Relative (%)	(19.0)	(35.4)	(51.7)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	62.70	62.70
FIs & Local MFs	15.88	17.08
FPIs	7.75	6.48
Public & Others	13.67	13.74
Pledged Shares	1.60	1.60

Source : BSE

Pledged shares as % of total shares

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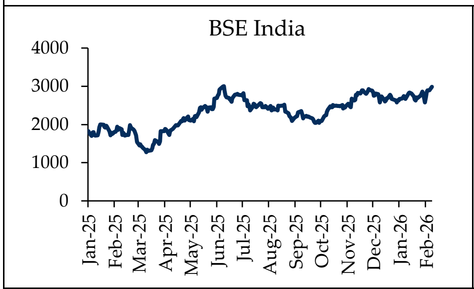
Rating Criteria

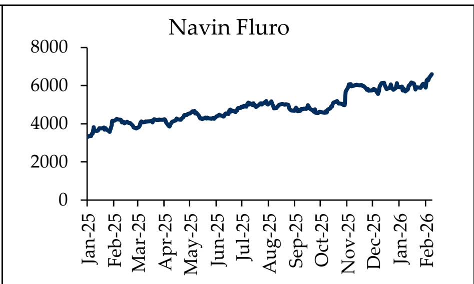
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

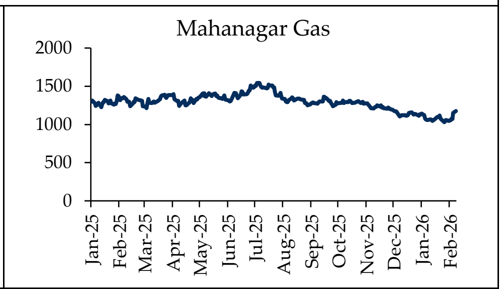
Disclosure:

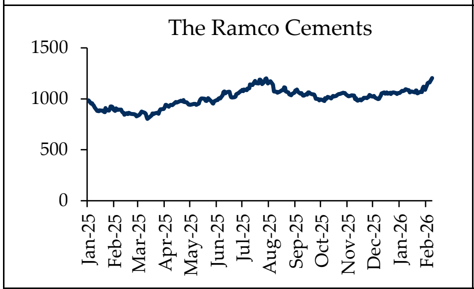
Analyst	Company Covered	Qualification	Any holding in the stock
Amit Chandra	BSE	MBA	NO
Arjun Savla	BSE	CA	NO
Nilesh Ghuge	Navin Fluorine International, Mahanagar Gas	MMS	NO
Dhawal Doshi	Navin Fluorine International, Mahanagar Gas	CA	NO
Prasad Vadnere	Navin Fluorine International, Mahanagar Gas	MSc	NO
Rajesh Ravi	The Ramco Cements, Star Cement, Bajaj Electricals	MBA	NO
Keshav Lahoti	The Ramco Cements, Star Cement, Bajaj Electricals	CA, CFA	NO
Mahesh Nagda	The Ramco Cements, Star Cement, Bajaj Electricals	CA	NO
Riddhi Shah	The Ramco Cements, Star Cement, Bajaj Electricals	MBA	NO

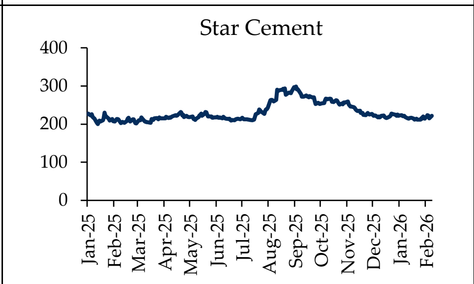
Price movement

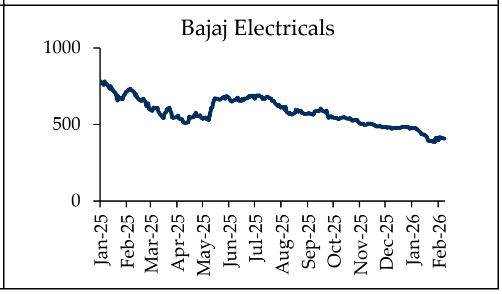












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