HSIE Results Daily

Contents

Results Reviews

- **Indian Hotels:** IHCL's Q3FY26 performance was relatively soft, reflected in modest 12% YoY revenue growth. 9% YoY RevPAR growth at consolidated level was mainly led by modest ARR increase by 7% to INR 17,700, whereas occupancy remained high at ~78% (+1.2pp). Taj continues to be the lead revenue generating brand, with 69% of operating revenue coming from this luxury segment while TajSATS and the Upscale segment (Vivanta, SeleQtions, and Gateway) accounted for 13% and 10% of total revenue, respectively. Despite soft growth of the quarter, long-term prospects of the company remain healthy as hotel supply growth of ~5% during FY25-28E is estimated to lag demand growth (~9%) in key business locations. It will lead to sustained high occupancy; however, we believe ARR might be peaking at a few locations. Hence, in our view, growth in operational rooms happens to be the key growth driver hereon. IHCL has acquired 51% stake in Atmantan resort and is in process of acquiring 51% stake in Bridge hotel. Together, they have a revenue potential of INR 2bn in FY27E. Further, Taj Bandstand, Mumbai is a large upcoming luxury asset with ~450 keys, expected to generate INR 10bn upon stabilization with 50% EBITDA margin. Above growth drivers apart from existing hotel portfolio and future pipeline are expected to drive EBITDA growth hereon. As stock has steeply corrected by ~13% in the last two quarters, it has come to more reasonable valuation levels. Hence, we change our rating to "Add" from "Reduce" despite keeping similar EBITDA CAGR estimates of 16% for FY25-28E. We roll forward to FY28E and value the stock at 25x FY28 EV/EBITDA for a TP of INR 801.
- **LG Electronics India:** LG's revenue declined 6% YoY to INR 41.14bn, owing to 10% YoY decline in home appliances segment, while home entertainment division witnessed sub-par 2% YoY growth. Management highlighted that home appliance segment witnessed soft demand post Diwali, while the home entertainment segment witnessed initial uplift in demand, driven by GST cut. EBITDA margin declined 270bps YoY to 5.1%, leading to EBITDA/APAT decline of 39/50% YoY. The company expects double-digit revenue growth and mid-teen operating margins in Q4 (higher YoY), supported by robust demand visibility across categories, while guiding for low single-digit revenue growth for FY26. For FY27, the company anticipates double-digit revenue growth coupled with early double-digit margins (broadly in line with FY25 level). The company also targets to double its export contribution by FY27, leveraging emerging opportunities from trade agreements with the US and EU. Considering in-line Q3 performance, we broadly maintain our estimates and retain our ADD rating with an unchanged target price of INR 1,545/share, based on 38x Mar'28E EPS.
- **Bharat Forge:** Order execution for the defense segment sees a meaningful improvement in Q3, with sustainable growth expected for the coming years on the back of superior design and manufacturing capability of the company that allows it to consistently expand the product portfolio. Going forward, we also expect operating leverage as well as better mix to help expand margins in the defense segment. Additionally, with the interim deal between India and the US in place, it provides for a restocking opportunity over the near to medium term, and for customers to resume new product development programs with the company. Considering the long-term business potential of

HSIE Research Team
hdfcsec-research@hdfcsec.com

the forging business which is also aided by the China+1 and Europe+1 plays, and of the defense business that would be led by geopolitical tensions, we upgrade our target P/E multiple from 33x earlier to 37x Dec-27 EPS (+2 SD of 4-year mean) for a TP of INR2,031 and maintain a BUY rating.

- **Oil India:** Our BUY recommendation on Oil India with a revised target price of INR 520 is premised on gas production growth at 3% CAGR and oil production growth at 3% CAGR over FY26-28E and tripling of refinery capacity of Numaligarh refinery. Q3FY26 standalone EBITDA at INR 13.08bn (-38.7% YoY, -1.2% QoQ) and PAT at INR 8.08bn (-33.8% YoY, -22.6% QoQ) were below our estimates. The miss was due to lower-than-expected per unit gas sales realization and higher-than-expected opex, partially offset by lower staff cost. Oil and gas production stood at 1.66mmtoe (-2.2%YoY, +0.4% QoQ).
- **Max Financial Services:** Axis Max Life Insurance (AMLI) reported YoY APE/VNB growth of +21/30% for 9MFY26. VNB margin expanded to 23.6% (+170bps YoY), clocking in ahead of our estimates, despite a one-time impact of wage cost (INR0.6bn) and GST ITC disallowance (INR3bn). Contrary to the earlier guidance of impact of 300-350bps on VNB margin due to loss of GST ITC, it was negated to a large extant with mix shift toward non-ULIP segments (9MFY26: 62.7%; H1FY25: 54.6%) and distributor costs rationalization. AMLI sustained strong growth (+57% YoY) in the health and protection business amid its continued focus on rider attachment (attachment rate at ~37%). We expect that, with GST ITC unavailability, VNB margins for FY26E are likely to keep VNB margins under check despite the favourable shift in product mix. We build in 18/21/18% CAGR in the APE/VNB/operating RoEV for FY25-28E; maintain ADD with a TP of INR1,750 (implied 2.2x Sep-27E EV prior to 10% hold-co discount, 6% implied discount to SBILIFE).
- **Neogen Chemicals:** Our BUY recommendation on Neogen Chemicals (NCL) with a target price of INR 2,761/share is premised on (1) entry into the new-age electrolyte manufacturing business; (2) increasing contribution of the high-margin CSM business to revenue; and (3) volume-driven growth in legacy business. NCL's EBITDA/APAT will grow at a CAGR of 37/49% over FY25-30E while RoE will improve from 5.9% in FY25 to 25.4% in FY30E. Q3 EBITDA was 8% below estimates while APAT was 73% below estimates, owing to higher-than-expected finance cost. Interest charges were higher owing to cost related to capital deployed for inventory buildup and plant rebuild post fire incident.
- **NOCIL:** Our ADD recommendation on NOCIL with a TP of INR 217 is premised on (1) a shift in product mix toward better-margin specialized rubber chemicals; (2) expected antidumping duty in key products; and (3) capacity addition in coming quarters. Q3 EBITDA/APAT were 14/18% below our estimates, owing to lower-than-expected revenue and higher-than-expected other expenses.

Indian Hotels

Long-term outlook strong despite soft short-term performance

IHCL's Q3FY26 performance was relatively soft, reflected in modest 12% YoY revenue growth. 9% YoY RevPAR growth at consolidated level was mainly led by modest ARR increase by 7% to INR 17,700, whereas occupancy remained high at ~78% (+1.2pp). Taj continues to be the lead revenue generating brand, with 69% of operating revenue coming from this luxury segment while TajSATS and the Upscale segment (Vivanta, SeleQtions, and Gateway) accounted for 13% and 10% of total revenue, respectively. Despite soft growth of the quarter, long-term prospects of the company remain healthy as hotel supply growth of ~5% during FY25-28E is estimated to lag demand growth (~9%) in key business locations. It will lead to sustained high occupancy; however, we believe ARR might be peaking at a few locations. Hence, in our view, growth in operational rooms happens to be the key growth driver hereon. IHCL has acquired 51% stake in Atmantan resort and is in process of acquiring 51% stake in Bridge hotel. Together, they have a revenue potential of INR 2bn in FY27E. Further, Taj Bandstand, Mumbai is a large upcoming luxury asset with ~450 keys, expected to generate INR 10bn upon stabilization with 50% EBITDA margin. Above growth drivers apart from existing hotel portfolio and future pipeline are expected to drive EBITDA growth hereon. As stock has steeply corrected by ~13% in the last two quarters, it has come to more reasonable valuation levels. Hence, we change our rating to "Add" from "Reduce" despite keeping similar EBITDA CAGR estimates of 16% for FY25-28E. We roll forward to FY28E and value the stock at 25x FY28 EV/EBITDA for a TP of INR 801.

- **Q3FY26 highlights (consolidated):** IHCL's revenue grew 12% YoY to INR 24.4bn, while EBITDA rose 12% YoY to INR 10.7bn. Net profit showed stronger growth, increasing 16% YoY to INR 6.7bn. Air catering segment TajSATS reported 18% YoY topline growth. EBITDA margin of hotel segment was higher at ~41% vis-à-vis ~26% of air catering segment. High single digit RevPAR growth was mainly led by modest ARR increase, while occupancy remained high at ~78%. As a part of the asset-light growth strategy, managed hotel rooms grew by a healthy 55% YoY to 17,677, and management fees rose by 15% YoY to INR 2.03bn. The company expects to continue capitalizing on its brand strength to grow its asset-light portfolio.
- **Group update** (Q3FY26): New business (Ginger, ama, and Qmin) contributed 8% of total revenue, recording a 31% YoY growth to INR 2.15bn, with a 46% EBITDAR margin.
- **Outlook:** IHCL opened 89 new hotels (3,747 keys) in Q3 FY26 and has a planned opening of 10 hotels (~850 keys) in Q4 FY26. On a base of 32,296 keys (55% managed, 45% owned) across 361 operational hotels, the company is planning a strong expansion and has a pipeline of ~30,200 (owned ~5,940 keys and managed~ 24,360 keys) additional keys across 256 hotels. Upcoming marquee owned projects include Taj Bandstand (450 Keys), Ranchi (~200 keys), Lakshadweep (~183 keys) Taj at Shiroda (~300 keys), Gateway at Aguada Plateau (~110 keys), Kaziranga (80 keys) and Agartala (~100 keys). We believe with disciplined execution; the company is on its trajectory to register ~16% EBITDA growth for FY25-28E.

Financial Summary

(INR mn, Mar YE)	3Q FY26	3Q FY25	YoY (%)	2Q FY26	QoQ (%)	FY24A	FY25A	FY26E	FY27E	FY28E
Net Revenues	28,420	25,331	*12%*	20,409	*39%*	67,430	83,345	96,401	1,08,933	1,21,787
EBITDA	10,758	9,617	*12%*	5,701	*89%*	21,982	27,693	32,159	37,947	44,060
APAT	6,774	5,823	*16%*	2,849	*138%*	12,380	19,076	19,459	22,665	26,292
Diluted Consol EPS (INR)	6.35	4.09	*55%*	2.00	*218%*	8.7	13.4	13.7	16.0	18.5
P/E (x)						81.8	53.1	52.1	44.7	38.5
EV/EBITDA						48.7	38.6	32.0	27.2	23.4
RoE (%)						14.4%	18.5%	16.1%	16.3%	16.5%

Source: Company, HSIE Research

ADD

CMP *(as on 12 Feb 2026)*	INR 712
Target Price	**INR 801**
NIFTY	**25,807**

KEY CHANGES	OLD	NEW
Rating	REDUCE	ADD
Price Target	INR 725	INR 801
	FY26E	FY27E
EPS Change %	-9%	-10%

KEY STOCK DATA	
Bloomberg code	IH IN
No. of Shares (mn)	1,423
MCap (INR bn) / ($ mn)	1,013/11,186
6m avg traded value (INR mn)	2,078
52 Week high / low	INR 859/627

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	0.7	(4.7)	(2.6)
Relative (%)	1.7	(9.0)	(12.5)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	38.1	38.1
FIs & Local MFs	19.4	20.7
FPIs	26.1	25.1
Public & Others	16.3	16.1
Pledged Shares	-	

Source : BSE

Amit Kumar, CFA
amit.kumar1@hdfcsec.com
+91-22-6171-7354

Aryan Singh Dalal
aryan.dalal@hdfcsec.com
+91 22 6171 7330

LG Electronics India

Soft quarter; demand reviving

LG's revenue declined 6% YoY to INR 41.14bn, owing to 10% YoY decline in home appliances segment, while home entertainment division witnessed sub-par 2% YoY growth. Management highlighted that home appliance segment witnessed soft demand post Diwali, while the home entertainment segment witnessed initial uplift in demand, driven by GST cut. EBITDA margin declined 270bps YoY to 5.1%, leading to EBITDA/APAT decline of 39/50% YoY. The company expects double-digit revenue growth and mid-teen operating margins in Q4 (higher YoY), supported by robust demand visibility across categories, while guiding for low single-digit revenue growth for FY26. For FY27, the company anticipates double-digit revenue growth coupled with early double-digit margins (broadly in line with FY25 level). The company also targets to double its export contribution by FY27, leveraging emerging opportunities from trade agreements with the US and EU. Considering in-line Q3 performance, we broadly maintain our estimates and retain our ADD rating with an unchanged target price of INR 1,545/share, based on 38x Mar'28E EPS.

- **Q3FY26 highlights:** Revenue declined 6% YoY to INR 41.14bn, owing to 10% YoY decline in home appliances segment (68% revenue mix), while home entertainment division witnessed sub-par 2% YoY growth. EBITDA margin declined 270/380bps YoY/QoQ to 5.1%, owing to increase in employee cost and other expenses relative to revenue due to negative operating leverage. Consequently, EBITDA declined 39% YoY. Home appliances and air solutions segment witnessed EBIT margin decline of 310/425bps YoY/QoQ to 4%, whereas home entertainment segment witnessed margin erosion of 390/300bps YoY/QoQ to 9.6%. APAT declined 50% YoY owing to lower EBITDA, higher depreciation and tax rate. Company has booked INR 125mn expense on account of new labor law and INR 173mn prior-period tax expenses, We have classified both these expenses as exceptional items.
- **Earnings call takeaways and valuation**: The company expects double-digit revenue growth and mid-teen operating margins in Q4 (higher YoY), supported by robust demand visibility across categories, while guiding for low single-digit revenue growth for FY26. For FY27, the company anticipates double-digit revenue growth coupled with early double-digit margins (broadly in line with FY25 level). The company implemented 2-3% price hikes on refrigerators and washing machines in Nov-25 to offset rising costs. Exports currently account for 7% of revenue. US and EU trade agreements are set to accelerate company growth, with management targeting a doubling export in FY27. Considering in-line Q3 performance, we broadly maintain our estimates and retain our ADD rating with an unchanged target price of INR 1,545/share, based on 38x Mar'28E EPS.

Financial summary

(INR mn)	Q3 FY26	Q3 FY25	YoY (%)	Q2 FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	41,144	43,955	(6.4)	61,740	(33.4)	2,13,520	2,43,666	2,49,254	2,78,008	3,06,560
EBITDA	2,086	3,404	(38.7)	5,476	(61.9)	22,249	31,101	24,390	34,417	39,654
EBITDAM	5.1	7.7		8.9		10.4	12.8	9.8	12.4	12.9
APAT	1,170	2,335	(49.9)	3,894	-(70.0)	15,111	22,033	17,286	24,400	27,624
EPS (INR)	1.7	3.4	(49.9)	5.7	-(70.0)	22.3	32.5	25.5	35.9	40.7
EV/EBITDA (x)						44.0	31.0	39.0	27.3	23.3
P/E (x)						66.0	45.3	57.7	40.9	36.1
RoE (%)						37.2	45.2	25.3	28.0	25.4

Source: Company, HSIE Research

ADD

CMP *(as on 12 Feb 2026)*	INR 1,470
Target Price	INR 1,545
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,545	INR 1,545
EPS %	FY26E	FY27E
	-	-

KEY STOCK DATA	
Bloomberg code	LGEL IN
No. of Shares (mn)	679
MCap (INR bn) / ($ mn)	997/11,005
6m avg traded value (INR mn)	-
52 Week high / low	INR 1,749/1,300

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(11.4)	-	-
Relative (%)	(10.4)	-	-

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	100.00	85.00
FIs & Local MFs	0.0	7.15
FPIs	0.0	3.00
Public & Others	0.0	4.85
Pledged Shares	0.0	0.0

Source : BSE

Pledged shares as % of total shares

Keshav Lahoti
keshav.lahoti@hdfcsec.com
+91-22-6171-7353

Rajesh Ravi
rajesh.ravi@hdfcsec.com
+91-22-6171-7352

Mahesh Nagda
mahesh.nagda@hdfcsec.com
+91-22-6171-7319

Riddhi Shah
riddhi.shah@hdfcsec.com
+91-22-6171-7359

Bharat Forge

Execution of the defense orderbook to pick up

Order execution for the defense segment sees a meaningful improvement in Q3, with sustainable growth expected for the coming years on the back of superior design and manufacturing capability of the company that allows it to consistently expand the product portfolio. Going forward, we also expect operating leverage as well as better mix to help expand margins in the defense segment. Additionally, with the interim deal between India and the US in place, it provides for a restocking opportunity over the near to medium term, and for customers to resume new product development programs with the company. Considering the long-term business potential of the forging business which is also aided by the China+1 and Europe+1 plays, and of the defense business that would be led by geopolitical tensions, we upgrade our target P/E multiple from 33x earlier to 37x Dec-27 EPS (+2 SD of 4-year mean) for a TP of INR2,031 and maintain a BUY rating.

- **Consolidated performance:** Q3FY26 EBITDA margin came in at 17.3%, down 70bps YoY and 74bps QoQ, below our estimate of 18.5% and Bloomberg consensus estimate of 19%, impacted by the slowdown in the CV exports segment in standalone operations.
- **Standalone performance:** Q3FY26 EBITDA margin came in at 27.2%, down 191bps YoY and 112bps QoQ, missing both our estimate of 29.2% and Bloomberg consensus estimate of 28.1%, as domestic auto segments, as well as better execution of orders in the defense segment, covered up for the slowdown of CV segment exports to North America as destocking continued.
- **Call takeaways:** (1) Management mentioned that INR310mn of US tariff-related impact was absorbed in Q3 (up 29% QoQ). (2) Of the new orders of INR 23.9bn won in Q3, ~79% were for defense. (3) The defense order book stands at INR111bn, up 18% on a QoQ basis. (4) It expects the defense segment to grow 30-40% in FY27, aided by the commencement of production of the ATAGS (Advanced Towed Artillery Gun System) and CQB carbines. (5) By FY30, it expects the defense segment to form 18-20% of the revenue mix. (6) It expects the profitability of the defense segment to be equivalent to the core business in due course, supported also by a long tail of after-sales (MRO) revenue stream. (7) On the European operations, it indicated that demand was patchy because of the holiday season in Q3, while capacity utilization levels stood at 60-65%. (8) On the US aluminum business, it highlighted that higher tariffs on aluminum imports into the US have been impacting the segment's profitability. (9) It expects the aerospace segment to grow meaningfully with new capacities coming online and good contribution to profitability. (10) On CV component exports, it indicated that improvement in Class 8 orders in the US should likely lead to steady business ahead.

Quarterly/annual financial summary

YE Mar (INR mn)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	FY25	FY26E	FY27E	FY28E
Net Sales	43,429	34,755	25.0	40,319	7.7	1,51,228	1,58,875	1,89,857	2,31,503
EBITDA	7,499	6,244	20.1	7,257	3.3	26,939	28,978	37,325	49,561
EBITDA %	17.3	18.0	-70bps	18.0	-74bps	17.8	18.2	19.7	21.4
APAT	3,285	2,128	54.4	2,993	9.8	10,269	12,345	19,541	28,473
EPS (INR)	6.9	4.5	54.4	6.3	9.8	21.5	25.8	40.9	59.6
P/E (x)						80.4	66.9	42.2	29.0
RoE (%)						12.5	12.8	18.2	22.8

Source: Company, HSIE Research

BUY

CMP *(on 12 Feb 2026)*	INR 1,727
Target Price	INR 2,031
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 1,717	INR 2,031
EPS %	FY27E	FY28E
	-1.9%	+7.3%

KEY STOCK DATA	
Bloomberg code	BHFC IN
No. of Shares (mn)	478
MCap (INR bn) / ($ mn)	826/9,112
6m avg traded value (INR mn)	1,512
52 Week high / low	INR 1,757/919

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	24.3	49.8	56.3
Relative (%)	25.2	45.5	46.5

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	44.07	44.07
FIs & Local MFs	32.26	32.23
FPIs	13.62	12.40
Public & Others	10.05	11.30
Pledged Shares	-	-

Source : BSE

Pledged shares as % of total shares

Hitesh Thakurani
hitesh.thakurani@hdfcsec.com
+91-22-6171-7350

Shubhangi Kejriwal
shubhangi.kejriwal@hdfcsec.com
+91-22-6171-7327

Oil India

Reduced crude price impact realization

Our BUY recommendation on Oil India with a revised target price of INR 520 is premised on gas production growth at 3% CAGR and oil production growth at 3% CAGR over FY26-28E and tripling of refinery capacity of Numaligarh refinery. Q3FY26 standalone EBITDA at INR 13.08bn (-38.7% YoY, -1.2% QoQ) and PAT at INR 8.08bn (-33.8% YoY, -22.6% QoQ) were below our estimates. The miss was due to lower-than-expected per unit gas sales realization and higher-than-expected opex, partially offset by lower staff cost. Oil and gas production stood at 1.66mmtoe (-2.2%YoY, +0.4% QoQ).

- **Standalone financial performance:** EBITDA for Q3FY26 came in at INR 13.08bn (-38.7% YoY, -1.2% QoQ). Other expenses stood at INR 19.04bn (+47.8% YoY, -17.1% QoQ). PAT stood at INR 8.08bn (-33.8% YoY, -22.6% QoQ). Depreciation was at INR 6.40bn (+21.6% YoY, +10.9% QoQ) and interest cost was at INR 2.6bn (+9.1% YoY, +2.4% QoQ).
- **Q3FY26 standalone operational performance**: Net crude oil realization stood at USD 61.3/bbl (-14.3% YoY, -7.5% QoQ) and gas realization was at USD 6.57/mmbtu (+1.0% YoY, -1.4% QoQ). Oil production came in at 0.858mmt (-1.2% YoY, +1.2% QoQ). Gas production of 0.801bcm (-3.4% YoY, -0.4% QoQ) was recorded in the quarter. Oil sales volume was at 0.82mmt (-1.1% YoY, -1.3% QoQ), while gas sales volume was at 0.66bcm (-3.2% YoY, +0.2% QoQ).
- **Conference call highlights**: (1) **NRL –** reported gross refining margin of USD 16.2 per barrel for the quarter as against USD 10.56/bbl reported in the previous quarter. The improvement in gross refining margin was due to higher diesel cracks in Q3FY26, which makes up ~ 65% of NRL's product slate. NRL commissioned the CDU and VDU units of the expanded refining capacity in the month of December 2025. Stabilization of these units is expected by the end of Q4FY26. Management expects this expanded refinery to achieve 50% utilization by the end of FY27, which would add close to 1mmt to the total throughput. Management is optimistic of the expanded capacity achieving 100% utilization by Q2FY28. The petchem plant could commence operation by the end of FY28 and achieve 100% utilization by Q2FY29. (2) **OINL –** Reduction in crude oil prices resulted in lower per unit realization which impacted revenue growth in the quarter. (3) Management noted that contractual costs increased significantly in the quarter due to increased deeper drilling activity undertaken. OINL aims to achieve 3.8/4MMT of oil production in FY28/29 and 5 BCM of gas production. (4) FY27 capex guidance for standalone entity - INR 92bn with further upswing in FY27.
- **Change in estimates and valuation:** We tweak our FY26/27E EPS estimates by -8.4/-2.1% to INR 39.3/36.1, factoring in the reduced oil realization. We value Oil India's standalone business at INR 234/sh (8x Mar-27E EPS) and its investments at INR 286/sh, leading to a target price of INR 520/sh.

Standalone financial summary

YE March (INR bn)	Q3 FY26	Q2 FY26	QoQ (%)	Q3 FY25	YoY (%)	FY24*	FY25*	FY26E*	FY27E*	FY28E*
Revenues	49.1	54.5	(9.9)	52.3	(6.2)	363.04	361.64	337.58	364.09	381.38
EBITDA	13.1	13.2	(1.2)	21.3	(38.7)	125.04	112.16	107.56	110.09	116.32
APAT	8.1	10.4	(22.6)	12.2	(33.8)	82.90	65.51	63.99	58.73	58.24
AEPS (INR)	5.0	6.4	(22.6)	7.5	(33.8)	51.0	40.3	39.3	36.1	35.8
P/E (x)						9.4	11.9	12.2	13.3	13.4
EV/EBITDA (x)						8.0	9.4	7.0	6.6	6.0
RoE (%)						19.1	13.4	12.0	9.7	8.7

Source: Company, HSIE Research | *Consolidated

Changes in estimates

YE March	FY26E			FY27E		
	Old	New	(%)	Old	New	(%)
EBITDA (INR bn)	115	107	-6.8	112	110	-1.5
EPS	42.9	39.3	-8.4	36.8	36.1	-2.1

Source: HSIE Research

BUY

CMP *(as on 12 Feb 2026)*	INR 474
Target Price	INR 520
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 508	INR 520
	FY26E	FY27E
EPS change	-8.4%	-2.1%

KEY STOCK DATA	
Bloomberg code	OINL IN
No. of Shares (mn)	1,627
MCap (INR bn) / ($ mn)	772/8,525
6m avg traded value (INR mn)	1,380
52 Week high / low	INR 524/322

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	7.6	11.7	13.7
Relative (%)	8.6	7.4	3.9

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	56.66	56.66
FIs & Local MFs	15.97	17.66
FPIs	11.00	9.51
Public & Others	16.38	16.18
Pledged Shares	0.00	0.00

Source : BSE

Nilesh Ghuge
nilesh.ghuge@hdfcsec.com
+91-22-6171-7342

Dhawal Doshi
dhawal.doshi@hdfcsec.com
+91-22-6171-7361

Prasad Vadnere
prasad.vadnere@hdfcsec.com
+91-22-6171-7356

Max Financial Services

Strong and profitable growth

Axis Max Life Insurance (AMLI) reported YoY APE/VNB growth of +21/30% for 9MFY26. VNB margin expanded to 23.6% (+170bps YoY), clocking in ahead of our estimates, despite a one-time impact of wage cost (INR0.6bn) and GST ITC disallowance (INR3bn). Contrary to the earlier guidance of impact of 300-350bps on VNB margin due to loss of GST ITC, it was negated to a large extant with mix shift toward non-ULIP segments (9MFY26: 62.7%; H1FY25: 54.6%) and distributor costs rationalization. AMLI sustained strong growth (+57% YoY) in the health and protection business amid its continued focus on rider attachment (attachment rate at ~37%). We expect that, with GST ITC unavailability, VNB margins for FY26E are likely to keep VNB margins under check despite the favourable shift in product mix. We build in 18/21/18% CAGR in the APE/VNB/operating RoEV for FY25-28E; maintain ADD with a TP of INR1,750 (implied 2.2x Sep-27E EV prior to 10% hold-co discount, 6% implied discount to SBILIFE).

- **Likely to become third-largest amongst the private player:** IRNB growth (x1.5 private players) continued to outpace private life insurers for 9MFY26, led by the non-AXSB banca partnerships (+41% YoY), while the proprietary offline channel grew +29%. The AXISB channel continued to show signs of growth fatigue (+8% YoY), though management highlighted that growth in Q4 is likely to rebound in AXISB on a softer base. We believe given the current IRNB growth trends, AMLI will surpass TATAAIA in FY27E to become the third-largest life insurer amongst the private life insurers.
- **Retail protection growth further strengthens:** AMLI continued to increase its mix of term insurance within individual APE to 13.7% (9MFY25: 10.5%), with its relentless focus on pure protection and rider attachments. As the growth in protection business (9MFY26:52%, Q3:>90%) in the proprietary channels was significant, we expect the share of term insurance to average mid-teens over FY26E-FY28E.Amongst the listed players, AMLI has the highest share of the term business in the individual APE.
- **Sustaining current growth levels remains key to current valuation levels:** Management aspires for IRNB growth to be +500bps of the industry, we expect current valuations to factor in nearly a high-teen growth in topline which is important for sustaining the current valuation multiple and hence offers a limited upside.

Financial summary

Particulars	9MFY26	9MFY25	%Change	H1FY26	FY25	FY26E	FY27E	FY28E
APE	69.1	57.3	21	41.8	87.7	106.5	124.5	144.4
VNB	16.3	12.6	30	9.7	21.1	26.7	31.9	37.6
VNB Margin	23.6%	21.9%	170bps	23.3%	24.0%	25.1%	25.6%	26.1%
EV					251.9	296.1	351.8	417.5
P/EV(X)					3.4	2.9	2.4	2.1
P/VNB(X)					40.8	32.2	27.0	22.9
ROEV%					19.1	17.5	18.8	18.7

Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	% Δ	New	Old	% Δ	New	Old	% Δ
APE	106.5	103.0	3.4	124.5	119.9	3.9	144.4	139.3	3.6
VNB	26.7	25.1	6.7	31.9	29.7	7.5	37.6	35.2	7.1
VNB Margin (%)	25.1%	24.3%	76bps	25.6%	24.8%	87bps	26.1%	25.2%	84bps
EV	296.1	297.1	-0.3	351.8	351.4	0.1	417.5	416.4	0.3

Source: Company, HSIE Research

ADD

CMP *(as on 12 Feb 2026)*	INR 1,814
Target Price	INR 1,750
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 1,700	INR 1,750
VNB %	FY26E	FY27E
	-+6.7%	+7.5%

KEY STOCK DATA	
Bloomberg code	MAXF IN
No. of Shares (mn)	345
MCap (INR bn) / ($ mn)	626/6,908
6m avg traded value (INR mn)	1,079
52 Week high / low	INR 1,821/950

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	5.5	14.2	66.3
Relative (%)	6.4	9.9	56.4

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	1.7	1.3
FIs & Local MFs	47.3	45.1
FPIs	44.8	47.4
Public & Others	6.2	6.3
Pledged Shares	Nil	Nil

Source : BSE

Krishnan ASV
venkata.krishnan@hdfcsec.com
+91-22-6171-7314

Shobhit Sharma
shobhit.sharma@hdfcsec.com
+91-22-6171-7341

Neogen Chemicals

Projects on track

Our BUY recommendation on Neogen Chemicals (NCL) with a target price of INR 2,761/share is premised on (1) entry into the new-age electrolyte manufacturing business; (2) increasing contribution of the high-margin CSM business to revenue; and (3) volume-driven growth in legacy business. NCL's EBITDA/APAT will grow at a CAGR of 37/49% over FY25-30E while RoE will improve from 5.9% in FY25 to 25.4% in FY30E. Q3 EBITDA was 8% below estimates while APAT was 73% below estimates, owing to higher-than-expected finance cost. Interest charges were higher owing to cost related to capital deployed for inventory buildup and plant rebuild post fire incident.

- **Financial performance:** Revenue came in at INR 2,200mn (+9.2/+5.4% YoY/QoQ). EBITDA margin changed by -270bps YoY to 14.5%, owing to higher opex. Organic/inorganic revenue was up 4.3/49% YoY to INR1,870/330mn. The growth in inorganic business was driven by volumes.
- **Key con call takeaways:** (1) Construction of replacement plant at Dahej is on track to be commissioned in Q1. Production ramp from this plant will drive growth in legacy business in ensuing quarters. Non-availability of capacity has compelled NCL to rationalize production and outsource some job work. This has resulted in higher opex cost as well. (2) **Pakhajan unit:** 30,000 MTPA electrolyte plant shall commence production in Q1 while 3,000MTPA lithium electrolyte salt and additive capacity will commence production in 2HFY27. (3) **Dahej Unit:** Lithium electrolyte salts and additive capacity of 1,100MTPA and 1,000 MTPA will be commissioned in March-26 and Q1FY27. (4) Neogen Morita New Materials Ltd, a JV between Neogen Ionics and Morita Investment (MIL), is India's only non-FEOC compliant plant (Pakhajan unit), offering a China-alternative supply chain and enabling access to the U.S. 45X tax credit. (5) NCL has received INR0.80bn as an on-account payment from insurance company. Remaining claim amount of INR2.51bn is expected by Q1. (6) USD20mn from MIL for 20% stake will be received by Q1. (7) The board has approved to raise INR1.5bn through preferential issue of equity shares to the promoter group. All these developments shall reduce company's debt burden. (8) Consolidated and standalone debt stands at INR11.75bn and INR6.8bn. (9) Received provisional approvals for lithium electrolyte salts from several international customers while final site audits underway.
- **Change in estimates:** We change our estimates for FY26/FY27/FY28 by -61/-20/+1% to INR 8/27/40x, factoring the increase in finance cost.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	2,200	2,087	5.4	2,014	9.2	6,907	7,776	8,221	12,647	24,391
EBITDA	319	300	6.5	346	(7.9)	1,101	1,363	1,276	1,904	3,814
APAT	37	34	9.5	100	(63.1)	356	455	196	670	990
AEPS (INR)	1.5	1.4	9.5	4.0	(63.1)	14.3	18.3	7.9	26.9	39.7
P/E (x)						91.1	71.2	165.6	48.4	32.7
EV/EBITDA(x)						32.9	27.9	29.8	26.8	13.5
RoE (%)						5.7	5.9	2.5	8.0	10.9

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)	1,305	1,276	-2%	2,123	1,904	-10%	3,814	3,814	0%
Adj. EPS (INR/sh)	20	8	-61%	34	27	-20%	39	40	1%

Source: Company, HSIE Research

BUY

CMP *(as on 12 Feb 2026)*	INR 1,286
Target Price	INR 2,761
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	BUY	BUY
Price Target	INR 2,818	INR 2,761
	FY26E	FY27E
EPS %	-61%	-20%

KEY STOCK DATA	
Bloomberg code	NEOGEN IN
No. of Shares (mn)	26
MCap (INR bn) / ($ mn)	34/374
6m avg traded value (INR mn)	216
52 Week high / low	INR 2,000/967

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	6.2	(11.2)	(34.4)
Relative (%)	7.1	(15.5)	(44.3)

SHAREHOLDING PATTERN (%)

	Sept-25	Dec-25
Promoters	51.23	51.23
FIs & Local MFs	25.23	21.99
FPIs	5.15	4.57
Public & Others	18.39	22.21
Pledged Shares	0.00	0.00

Source: BSE

Nilesh Ghuge
nilesh.ghuge@hdfcsec.com
+91-22-6171-7342

Prasad Vadnere
prasad.vadnere@hdfcsec.com
+91-22-6171-7356

Dhawal Doshi
dhawal.doshi@hdfcsec.com
+91-22-6171-7361

NOCIL

Realization offsets volume-driven growth

Our ADD recommendation on NOCIL with a TP of INR 217 is premised on (1) a shift in product mix toward better-margin specialized rubber chemicals; (2) expected antidumping duty in key products; and (3) capacity addition in coming quarters. Q3 EBITDA/APAT were 14/18% below our estimates, owing to lower-than-expected revenue and higher-than-expected other expenses.

- **Financial performance**: Revenue was in line with Q2 at INR 3.16bn. Realization remains impacted by pricing pressure due to aggressive dumping by Chinese players while it was partially offset by decrease in raw material prices. EBITDA/KG increased by 23% QoQ to INR 19/KG. EBITDA changed by +8.8/+25 % YoY/QoQ to INR 261mn. EBITDA margin changed by +70/+161bps to 8.3% due to decrease in other expense and raw material cost.
- **Key con call takeaways**: (1) The upcoming revision in US tariff structures is likely to drive volume recovery in the next 2-3 months, while the India-EU FTA is expected to offer long-term strategic and raw-material cost benefits. (2) The company has filed anti-dumping petitions against China, the EU, the US, Korea, and Thailand, with investigation outcomes are expected in the next 1.5-2 months. (3) The Dahej expansion project is ahead of schedule, with production trials planned for the first half of the year, adding 20% to overall capacity. (4) The company holds a 40% share of the Indian rubber chemical market, estimated at around 85,000 tons.
- **Change in estimates:** We change our FY26/27/28E EPS estimates by -13.1/-13.4/-13.3% to INR 4.0/5.8/9.3x to factor in the Q3FY26 performance and growth outlook.
- **DCF-based valuation:** Our price target is INR 217. The stock is trading at 38.4/26.4/16.6x FY26/27/28E EPS.

Financial summary (consolidated)

INR mn	3Q FY26	2Q FY26	QoQ (%)	3Q FY25	YoY (%)	FY23	FY24	FY25	FY26E	FY27E	FY28E
Net Sales	3,158	3,206	*(1.5)*	3,181	*(0.7)*	16,166	14,447	13,927	13,123	14,235	16,194
EBITDA	261	209	*25.0*	240	*8.8*	2,490	1,904	1,346	1,071	1,496	2,267
APAT	210	173	*21.6*	129	*62.6*	1,487	1,314	1,076	667	973	1,542
AEPS (INR)	1.3	1.0	*21.6*	0.8	*62.6*	8.9	7.9	6.5	4.0	5.8	9.3
P/E (x)						17.3	19.5	23.9	38.4	26.4	16.6
EV/EBITDA(x)						9.4	11.6	17.1	21.0	14.8	9.3
RoE (%)						10.0	8.1	6.2	3.7	5.3	8.1

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)	1,208	1,071	(11.4)	1,696	1,496	(11.8)	2,582	2,267	(12.2)
Adj. EPS (INR/sh)	4.6	4.0	(13.1)	6.7	5.8	(13.4)	10.7	9.3	(13.3)

Source: Company, HSIE Research

ADD

CMP *(as on 12 Feb 2026)*	INR 154
Target Price	INR 217
NIFTY	25,807

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 229	INR 217
EPS %	FY26E	FY27E
	-13.1%	-13.4%

KEY STOCK DATA	
Bloomberg code	NOCIL IN
No. of Shares (mn)	167
MCap (INR bn) / ($ mn)	25/282
6m avg traded value (INR mn)	65
52 Week high / low	INR 218/125

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(12.7)	(11.5)	(25.7)
Relative (%)	(11.8)	(15.8)	(35.5)

SHAREHOLDING PATTERN (%)	Sept-25	Dec-25
Promoters	33.76	33.76
FIs & Local MFs	6.57	6.49
FPIs	5.15	4.43
Public & Others	54.52	55.27
Pledged Shares		

Source: BSE

Nilesh Ghuge
nilesh.ghuge@hdfcsec.com
+91-22-6171-7342

Prasad Vadnere
prasad.vadnere@hdfcsec.com
+91-22-6171-7356

Dhawal Doshi
dhawal.doshi@hdfcsec.com
+91-22-6171-7361

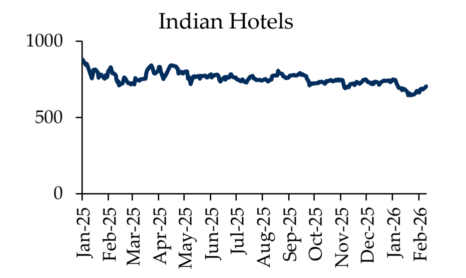
Rating Criteria

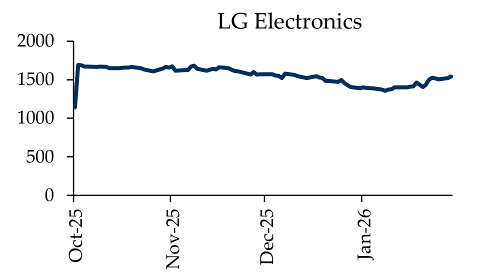
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

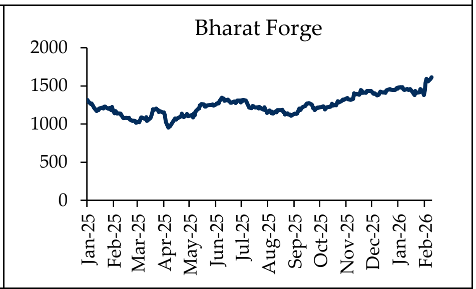
Disclosure:

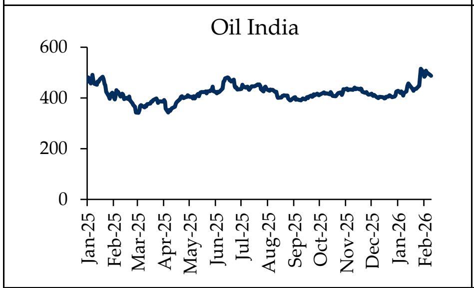
Analyst	Company Covered	Qualification	Any holding in the stock
Amit Kumar	Indian Hotels	CFA	NO
Aryan Dalal	Indian Hotels	BCom	NO
Keshav Lahoti	LG Electronics India	CA, CFA	NO
Rajesh Ravi	LG Electronics India	MBA	NO
Mahesh Nagda	LG Electronics India	CA	NO
Riddhi Shah	LG Electronics India	MBA	NO
Hitesh Thakurani	Bharat Forge	MBA	NO
Shubhangi Kejriwal	Bharat Forge	MSc	NO
Nilesh Ghuge	Oil India, Neogen Chemicals, NOCIL	MMS	NO
Dhawal Doshi	Oil India, Neogen Chemicals, NOCIL	CA	NO
Prasad Vadnere	Oil India, Neogen Chemicals, NOCIL	MSc	NO
Krishnan ASV	Max Financial Services	PGDM	NO
Shobhit Sharma	Max Financial Services	CA	NO

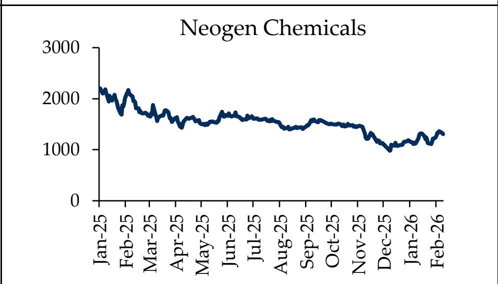
Price movement

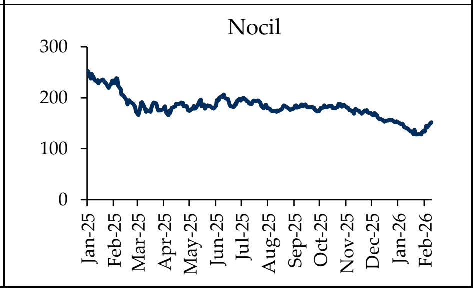


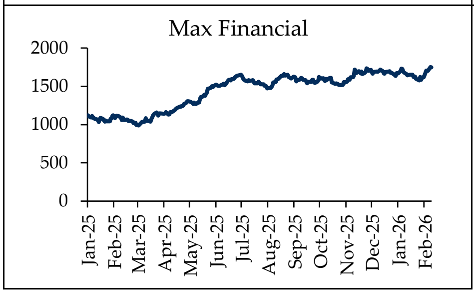












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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066
Compliance Officer: Murli V Karkera Email: complianceofficer@hdfcsec.com Phone: (022) 3045 3600
For grievance redressal contact Customer Care Team Email: customercare@hdfcsec.com Phone: (022) 3901 9400
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HDFC Securities
Institutional Equities
Unit No. 1602, 16th Floor, Tower A, Peninsula Business Park,
Senapati Bapat Marg, Lower Parel, Mumbai - 400 013
Board: +91-22-6171-7330 www.hdfcsec.com