INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **ICICI Life Insurance:** ICICI Life's performance marginally missed our estimates, with APE growth at 15% YoY, while absolute VNB rose 22% YoY. Group APE surged 40%, while individual APE increased marginally by 10%. VNB margins clocked in at 26%, the first time ICICI Life has clocked such margins during the first half of the financial year, since H1FY24. The absolute VNB growth was primarily led by sustained momentum in the protection (+47% YoY) and annuity (+50% YoY) businesses, respectively. We maintain our FY27E/FY28E APE growth estimates at 6%/7% and build in absolute VNB growth at 7%/15%, given the strategic shift and change in the company's product mix. We introduce our FY29E forecasts on the old accounting regime, subject to subsequent changes as we get greater clarity on the key operating variables; we maintain ADD with a revised TP of INR585 (1.2x Sep-28 EV).
- **Tata Elxsi:** Tata Elxsi delivered a resilient quarter, posting broad-based revenue growth and margin outperformance (both ahead of our estimates). Media & Communication (M&C) rose 3.4% QoQ CC, supported by steady ramp-ups across key programs and AI-led deal wins, including a strategic GenAI-powered virtual assistant engagement with a global technology leader. Healthcare & Lifesciences (HLS) registered a strong 3.5% QoQ CC increase, aided by a notable win from a global renal care major for next generation home dialysis systems, covering full-spectrum product engineering. Transportation remained stable (+2% QoQ CC), driven by robust traction in the US and India markets, with contributions from aerospace and defense adjacencies, though Europe stayed muted due to elongated decision cycles at large OEMs. The company also announced a strategic partnership with Sarla Aviation for India's first indigenous eVTOL aircraft and secured a test rig and validation engagement from a global aerospace supplier. EBITDA margin at 21.9% expanded 77bps QoQ despite annual wage hikes. Management expects operational leverage to continue through the year, implying a modestly improving margin trajectory supported by rising utilization (currently 78% vs. peak of 81–82%) and active pyramid optimization over the next 2–3 quarters. Management remains confident of stronger performance in H2 across M&C and HLS, while Transportation's outlook hinges on Europe, with US and India/Asia growth trends holding firm. We maintain our earnings forecasts and ADD rating with a TP of INR 3,915, based on 25x Sep 28E EPS.

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ICICI Life Insurance

Modest topline growth; margins sustain momentum

ICICI Life's performance marginally missed our estimates, with APE growth at 15% YoY, while absolute VNB rose 22% YoY. Group APE surged 40%, while individual APE increased marginally by 10%. VNB margins clocked in at 26%, the first time ICICI Life has clocked such margins during the first half of the financial year, since H1FY24. The absolute VNB growth was primarily led by sustained momentum in the protection (+47% YoY) and annuity (+50% YoY) businesses, respectively. We maintain our FY27E/FY28E APE growth estimates at 6%/7% and build in absolute VNB growth at 7%/15%, given the strategic shift and change in the company's product mix. We introduce our FY29E forecasts on the old accounting regime, subject to subsequent changes as we get greater clarity on the key operating variables; we maintain ADD with a revised TP of INR585 (1.2x Sep-28 EV).

- **Sustainable product mix:** A sustainable product mix, led by a rising share of protection and annuity businesses, offset by ULIPs moderating to 57% of the retail APE mix (-200bps YoY), has resulted in an impressive 150bps YoY expansion in VNB margins to 26%. The share of retail protection has risen by 2 percentage points YoY within the overall mix, thanks to the GST reduction during H2FY26, and consequent improvement in affordability.
- **Structural resilience to the proposed distribution framework:** ICICI Life has a ~30% banca share in retail APE, coupled with a modest dependence on its promoter-bank sourcing. Hence, we believe that ICICI Life is structurally less exposed to the proposed EoM tightening compared to most of the other listed peers with heavier banca dependence. With FY25/FY26 EoM at ~18% and a well-balanced distribution network, the company seems to be well-positioned for a manageable recalibration towards the EoM glide path.
- **"Proprietary channel" momentum key to growth:** ICICI Life has witnessed significant shifts in business strategy, product mix, and financial reporting over the past three years, with RoEV stuck in low double-digits on account of negative variances and assumption changes. Notwithstanding the final distribution reforms, we believe that ICICI Life needs momentum in its proprietary channel to arrest the low growth of the past three years.

Financial summary

INR bn	H1FY27	H1FY26	% YoY	Q1FY27	FY27E	FY28E	FY29E
NB	118.3	94.6	25.0	48.7	271.2	294.7	323.3
APE	49.4	42.9	15.1	21.4	112.7	120.7	136.3
VNB	12.8	10.5	22.3	5.7	29.0	30.9	35.5
VNB margin (%)	26.0%	24.5%	152bps	26.7%	25.7%	25.6%	26.1%
EV					604.9	679.7	764.7
P/EV (x)					1.1	1.0	0.9
P/VNB (x)					23.2	21.7	18.9
ROEV (%)					12.9	12.5	12.6

Change in estimates

(INR bn)	FY27E			FY28E		
	Revised	Old	% chg	Revised	Old	% chg
APE	112.7	112.7	-	120.7	125.9	-4.1
VNB	29.0	28.9	0.2	30.9	32.6	-5.2
VNB margin (%)	25.7%	25.6%	6bps	25.6%	25.9%	-30bps
EV	604.9	604.9	-	679.7	681.3	-0.2

Source: HSIE Research

ADD

CMP *(as on 13 Oct 2026)*	INR 447
Target Price	INR 585
NIFTY	22,722

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR605	INR585
VNB	FY27E	FY28E
	0.2%	-5.2%

KEY STOCK DATA

Bloomberg code	IPRU IN
No. of Shares (mn)	1,451
MCap (INR bn) / ($ mn)	649/6,808
6m avg traded value (INR mn)	1,003
52 Week high / low	INR 707/442

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(14.0)	(18.2)	(24.7)
Relative (%)	(8.1)	(13.2)	(13.4)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	72.9	72.7
FIs & Local MFs	11.1	11.8
FPIs	10.9	10.2
Public & Others	5.2	5.2
Pledged Shares	Nil	Nil

Source : BSE

Pledged shares as % of total shares

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Tata Elxsi

All verticals deliver; margin lever kicks in

Tata Elxsi delivered a resilient quarter, posting broad-based revenue growth and margin outperformance (both ahead of our estimates). Media & Communication (M&C) rose 3.4% QoQ CC, supported by steady ramp-ups across key programs and AI-led deal wins, including a strategic GenAI-powered virtual assistant engagement with a global technology leader. Healthcare & Lifesciences (HLS) registered a strong 3.5% QoQ CC increase, aided by a notable win from a global renal care major for next generation home dialysis systems, covering full-spectrum product engineering. Transportation remained stable (+2% QoQ CC), driven by robust traction in the US and India markets, with contributions from aerospace and defense adjacencies, though Europe stayed muted due to elongated decision cycles at large OEMs. The company also announced a strategic partnership with Sarla Aviation for India's first indigenous eVTOL aircraft and secured a test rig and validation engagement from a global aerospace supplier. EBITDA margin at 21.9% expanded 77bps QoQ despite annual wage hikes. Management expects operational leverage to continue through the year, implying a modestly improving margin trajectory supported by rising utilization (currently 78% vs. peak of 81–82%) and active pyramid optimization over the next 2–3 quarters. Management remains confident of stronger performance in H2 across M&C and HLS, while Transportation's outlook hinges on Europe, with US and India/Asia growth trends holding firm. We maintain our earnings forecasts and ADD rating with a TP of INR 3,915, based on 25x Sep 28E EPS.

- **Q2FY27 highlights:** (1) TELX posted a revenue of USD 110.5mn, +2.3% QoQ CC (above our estimsate of USD 109.3mn). (2) Healthcare & Lifesciences vertical led the growth +3.5% QoQ CC, aided by new deal wins in product engineering and digital health. (3) Media & Communication grew 3.4% QoQ CC, backed by continued deal ramp-ups and GenAI-led deal wins. (4) Transportation vertical revenue was up 2.0% QoQ CC, led by auto OEMs in the US and India, while Europe remained soft. (5) EBITM expanded 71bps QoQ to 19.7% (vs HSIE 19.3%), aided by ~70bps cross-currency tailwinds and ~20bps of operating leverage (utilization rose to ~78% vs Q1), which offset the negative impact of company-wide wage hikes in the quarter.
- **Outlook:** We have factored transportation vertical growth at +2.9/8.9/11.7% for FY27/28/29E, Media & Communication growth at +10.7/10.9/12%, and Healthcare & Lifesciences at -12/+9.7/12% over the same period. Revenue growth of +4.5/9.7/12% and EBITM of 20.9/22.5/23.1% over FY27/28/29E translated to an EPS CAGR of 14.2% over FY26-29E.

Quarterly financial summary

YE Mar (INR bn)	Q2 FY27	Q2 FY26	YoY (%)	Q1 FY27	QoQ (%)	FY25	FY26	FY27E	FY28E	FY29E
Revenue (USD mn)	110	105	4.7	108	2.3	441	423	442	486	544
Net Sales	10.56	9.18	15.0	10.21	3.4	37.29	37.57	42.27	46.61	52.72
EBIT	2.08	1.70	22.3	1.94	7.2	8.68	7.53	8.83	10.49	12.17
APAT	1.70	1.55	10.0	1.71	-0.2	7.85	7.01	7.72	9.07	10.43
Diluted EPS (INR)	27.3	24.9	10.0	27.4	-0.2	126.0	112.6	124.0	145.7	167.5
P/E (x)						27.2	30.4	27.6	23.5	20.5
EV / EBITDA (x)						19.9	22.6	19.5	16.3	14.0
RoE (%)						29.3	23.8	24.6	27.0	28.9

Source: Company, HSIE Research, Consolidated Financials

Change in Estimates

YE March (INR bn)	FY27E Old	FY27E Revised	Change %	FY28E Old	FY28E Revised	Change %	FY29E Old	FY29E Revised	Change %
Revenue (USD mn)	440	442	*0.6*	483	486	*0.6*	540	544	*0.6*
Revenue	41.94	42.27	*0.8*	46.32	46.61	*0.6*	52.40	52.72	*0.6*
EBIT	8.68	8.83	*1.7*	10.43	10.49	*0.6*	12.11	12.17	*0.5*
EBIT margin (%)	20.7	20.9	*18bps*	22.5	22.5	*-2bps*	23.1	23.1	*-2bps*
APAT	7.70	7.72	*0.3*	9.06	9.07	*0.2*	10.41	10.43	*0.2*
EPS (INR)	123.7	124.0	*0.3*	145.4	145.7	*0.2*	167.1	167.5	*0.2*

Source: Company, HSIE Research

ADD

CMP *(as on 13 Oct 2026)*	**INR 3,427**
Target Price	**INR 3,915**
NIFTY	**22,722**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,900	INR 3,915
	FY27E	FY28E
EPS %	+0.3	+0.2

KEY STOCK DATA

Bloomberg code	TELX IN
No. of Shares (mn)	62
MCap (INR bn) / ($ mn)	214/2,241
6m avg traded value (INR mn)	1,357
52 Week high / low	INR 5,950/2,996

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	(10.4)	(22.3)	(36.0)
Relative (%)	(4.5)	(17.4)	(24.7)

SHAREHOLDING PATTERN (%)

	Mar-26	Jun-26
Promoters	43.90	43.90
FIs & Local MFs	11.39	11.04
FPIs	11.09	9.85
Public & Others	33.62	35.21
Pledged Shares	0.00	0.00

Source: BSE

Pledged shares as % of total shares

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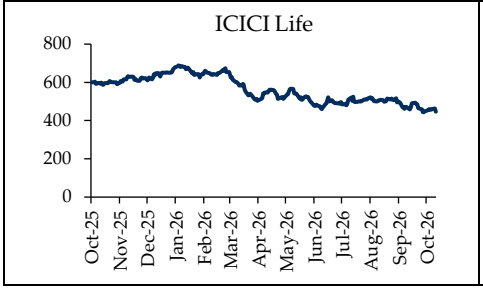
Rating Criteria

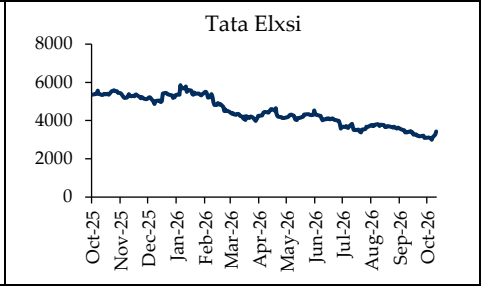
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	ICICI Life Insurance	PGDM	NO
Samarth Desai	ICICI Life Insurance	MSc	NO
Amit Chandra	Tata Elxsi	MBA	NO
Vinesh Vala	Tata Elxsi	MBA	NO
Harsh Yadav	Tata Elxsi	MBA	NO

Price movement





Disclosure:

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