**BUY**

# Star Health

## Continued improvement in claims ratio

**General Insurance** ▸ Result Update ▸ **July 31, 2026**

**CMP (Rs): 610 | TP (Rs): 700**

**Star Health delivered a healthy 1QFY27 performance, with claims ratio improving by 100bps yoy to 67.5% and combined ratio down by 160bps yoy to 97.1%, driven by improvement in claims ratio and reinsurance expense ratio. The consistent improvement in claims ratio over recent quarters is on the back of a cumulative effect of 1) portfolio strengthening, 2) optimization toward preferred segments, 3) risk-based pricing, 4) reduction in fraud and abuse cases, 5) institutionalization of wellness initiatives, and 6) strong growth in fresh premium. Given that 2Q has a seasonally high claims ratio due to vector borne diseases, Management remains watchful of this ratio in the coming quarter and continues to implement measures to keep it under control. Management maintains focus on a sustainable and profitable growth strategy while reiterating its ambition of delivering mid-to-high teens ROE. We introduce Ind AS-based estimates and build in slight improvement in COR over FY27-29E driving strong PAT growth. We maintain BUY and revise up Jun-27E TP by ~8% to Rs700 from Rs650, implying FY28E PER of ~22x.**

### Healthy performance during the quarter driven by improvement in claims ratio

GWP at Rs42.87bn increased 18.9% yoy during 1QFY27, while Insurance revenue at Rs49.17bn grew 13.4% yoy. Insurance Service result at Rs4.25bn increased 48% yoy, driven by lower reinsurance expense and improved claims ratio. Claims Ratio improved by 100bps yoy to 67.5% in 1QFY27, while Acquisition Expenses Ratio at 23.4% was largely flat yoy. Reinsurance Expense Ratio at 0.4% improved by 90bps yoy, driving Combined Insurance Service Ratio (CISR) at 97.1% – an improvement of 160bps yoy. Underwriting Profit at Rs1.11bn increased from Rs0.16bn in 1QFY26, driven by improvement in claims ratio. Led by strong investment income and underwriting profitability, PAT at Rs5.5bn increased 25.5% yoy, whereas normalized PAT at Rs3.86bn (assuming ~8% investment yield) grew ~44% yoy.

### Focus remains on profitable growth journey

The company has witnessed consistent improvement in claims ratios over the last few quarters, driven by a 360-degree approach that includes repricing the portfolio, geographic segmentation and portfolio calibration, efficient claims management led by better fraud prevention measures, and implementation of multiple wellness initiatives. With 2Q being a seasonally high claims-ratio quarter given vector-borne diseases, Management remains watchful of the overall situation ahead. Additionally, with tech and AI-led initiatives, Management expects 30-40bps improvement in expense ratio, as productivity and efficiency improve. Management remains optimistic of growth in Insurance revenue ahead, despite base-effect normalization from 2HFY27 given the unwind from long-term policies. Overall, Management continues to prioritize a profitable growth strategy targeting mid—to-high teens ROE over the medium term.

### We maintain BUY and increase Jun-27E TP by 7.7% to Rs700

With the company transitioning to Ind AS-based accounting, we introduced Ind AS estimates. We maintain BUY and increase Jun-27E TP to Rs700 from Rs650, implying FY28E PER of 22x. We remain watchful of the claims ratio trajectory ahead.

**Star Health: Financial Snapshot (Standalone)**

| Y/E March (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Gross written premium | 167,814 | 186,210 | 218,645 | 252,648 | 291,704 |
| Insurance Revenue | 159,428 | 179,986 | 208,806 | 242,542 | 281,494 |
| Adj. PAT | 7,868 | 9,109 | 14,821 | 18,406 | 22,826 |
| Adj. EPS (Rs) | 13.4 | 15.5 | 25.2 | 31.3 | 38.8 |
| BVPS (INR) | 147.5 | 162.8 | 188.0 | 219.3 | 258.0 |
| Adj. EPS growth (%) | (29.1) | 15.5 | 62.6 | 24.2 | 24.0 |
| BVPS growth (%) | 10.2 | 10.4 | 15.5 | 16.6 | 17.7 |
| Insurance Rev growth | 16.7 | 12.9 | 16.0 | 16.2 | 16.1 |
| Combined ratio (%) | 100.7 | 98.4 | 97.5 | 96.8 | 96.2 |
| RoE (%) | 9.5 | 10.0 | 14.4 | 15.4 | 16.3 |
| P/Float (x) | 2.0 | 1.7 | 1.5 | 1.3 | 1.1 |
| P/E (x) | 45.5 | 39.4 | 24.2 | 19.5 | 15.7 |
| P/B (x) | 4.1 | 3.7 | 3.2 | 2.8 | 2.4 |

*Source: Company, Emkay Research*

| | |
|---|---|
| Target Price – 12M | Jun-27 |
| **Change in TP (%)** | **7.7** |
| Current Reco. | BUY |
| Previous Reco. | BUY |
| Upside/(Downside) (%) | 14.8 |

| **Stock Data** | **STARHEAL IN** |
|---|---|
| 52-week High (Rs) | 625 |
| 52-week Low (Rs) | 417 |
| Shares outstanding (mn) | 588.6 |
| Market-cap (Rs bn) | 359 |
| Market-cap (USD mn) | 3,755 |
| Net-debt, FY27E (Rs mn) | NA |
| ADTV-3M (mn shares) | 0.7 |
| ADTV-3M (Rs mn) | 490.6 |
| ADTV-3M (USD mn) | 5.1 |
| Free float (%) | 37.3 |
| Nifty-50 | 24,317.2 |
| INR/USD | 95.7 |

| **Shareholding,Jun-26** | |
|---|---|
| Promoters (%) | 58.0 |
| FPIs/MFs (%) | 16.0/19.4 |

**Price Performance**

| (%) | 1M | 3M | 12M |
|---|---|---|---|
| Absolute | 3.6 | 16.1 | 36.3 |
| Rel. to Nifty | 1.7 | 14.6 | 39.3 |

**1-Year share price trend (Rs)**

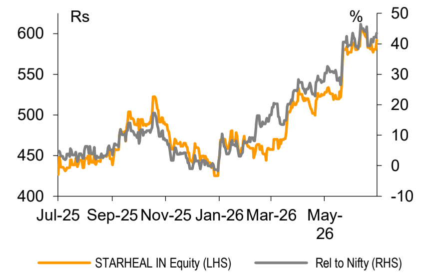


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**Exhibit 1: STARHEALTH – 1QFY27 financial performance**

| (Rs mn) | 1QFY27 | 1QFY26 | % yoy | 4QFY26 | % qoq |
|---|---|---|---|---|---|
| GWP | 42,871 | 36,055 | 18.9 | 59,684 | -28.2 |
| Insurance Revenue | 49,172 | 43,364 | 13.4 | 46,711 | 5.3 |
| Insurance Service Expenses | 44,714 | 39,896 | 12.1 | 41,364 | 8.1 |
| --Claims Incurred | 33,184 | 29,714 | 11.7 | 30,171 | 10.0 |
| --Commission | 6,603 | 5,649 | 16.9 | 9,305 | -29.0 |
| --Employee Benefit Expenses | 3,036 | 2,490 | 21.9 | 4,677 | -35.1 |
| Net expenses from Reinsurance | 207 | 589 | -64.9 | 301 | -31.2 |
| **Insurance Service Result** | **4,251** | **2,878** | **47.7** | **5,046** | **-15.8** |
| Investment Income | **6,437** | **5,864** | **9.8** | **-2,296** | **-380.3** |
| -- not measured at FVTPL | 3,061 | 2,865 | 6.8 | 2,900 | 5.6 |
| --Other investment revenue | 3,376 | 3,004 | 12.4 | -5,217 | -164.7 |
| Insurance Finance Expenses | 388 | 425 | -8.6 | 173 | 124.3 |
| **Net Finance Result** | **6,049** | **5,440** | **11.2** | **-2,469** | **-345.0** |
| Other Expenses (Insurance Related) | 2,755 | 2,295 | 20.0 | 3,038 | -9.3 |
| Underwriting Profit | 1,108 | 158 | 599.5 | 1,835 | -39.6 |
| Other Finance Expenses | 128 | 142 | -9.7 | 136 | -5.7 |
| Profit before tax | 7,417 | 5,881 | 26.1 | -597 | -1341.8 |
| Taxes | 1,920 | 1,499.0 | 28.1 | -43.2 | -4543.8 |
| **Profit After Tax** | **5,497** | **4,382** | **25.5** | **-554** | **-1092.1** |
| Networth | 101,442 | 91,097 | 11.4 | 95,781 | 5.9 |
| ROE | 22.3% | 19.7% | 2.6ppts | -2.3% | 24.6ppts |
| **Combined Ratio (incl RI and other exp)** | **97.1%** | **98.7%** | -1.6ppts | **95.7%** | 1.4ppts |
| Claims Ratio | 67.5% | 68.5% | -1.0ppts | 64.6% | 2.9ppts |
| Acquisition Expense Ratio | 23.4% | 23.5% | 0.0ppts | 24.0% | -0.5ppts |
| Reinsurance Expense Ratio | 0.4% | 1.4% | -0.9ppts | 0.6% | -0.2ppts |
| Other Expense Ratio | 5.8% | 5.3% | 0.5ppts | 6.5% | -0.7ppts |
| Solvency | 209% | 222% | -13.0ppts | 205% | 4.0ppts |

*Source: Company, Emkay Research*

**Exhibit 2: Residual income valuation for Star Health**

| **Cost of Equity** | **12.0%** |
|---|---|
| | |
| FY27 PAT (Rs mn) | 14,821 |
| PAT CAGR FY26-38 | 20% |
| Terminal growth | 7.0% |
| Mar-27E Fair value (Rs mn) | 400,846 |
| No of shares (mn) | 588.4 |
| Mar-27E Fair value per share (Rs) | 681 |
| **Jun-27E Target Price (Rs)** | **700** |

*Source: Company, Emkay Research*

**Exhibit 3: Implied valuation multiples for Star Health**

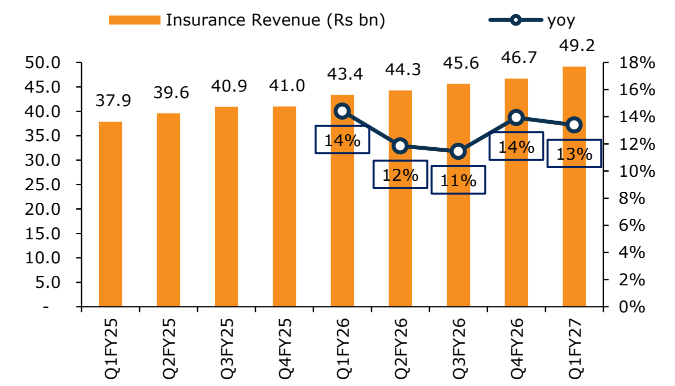
| **Valuation multiple on Target price** | **Rs700** |
|---|---|
| FY28E PER | 22.4x |
| FY28E PBV | 3.2x |
| ROE | 15.4% |
| FY28E P/GWP | 1.6x |

| **Valuation multiple on CMP** | **Rs 610** |
|---|---|
| FY28E PER | 19.5x |
| FY28E PBV | 2.8x |
| ROE | 15.4% |
| FY28E P/GWP | 1.4x |

*Source: Company, Emkay Research*

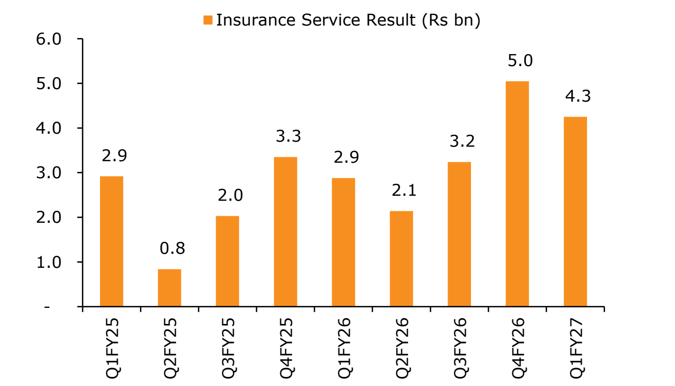
# Story in charts

**Exhibit 4: Insurance revenue grew ~13% in 1QFY27**



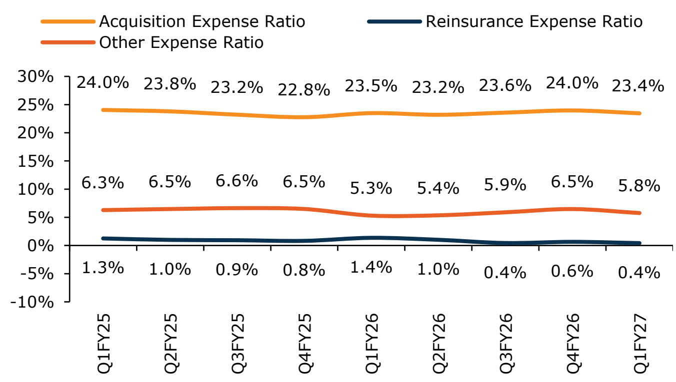

*Source: Company, Emkay Research*

**Exhibit 5: Insurance Service result increased to Rs4.3bn in 1QFY27**



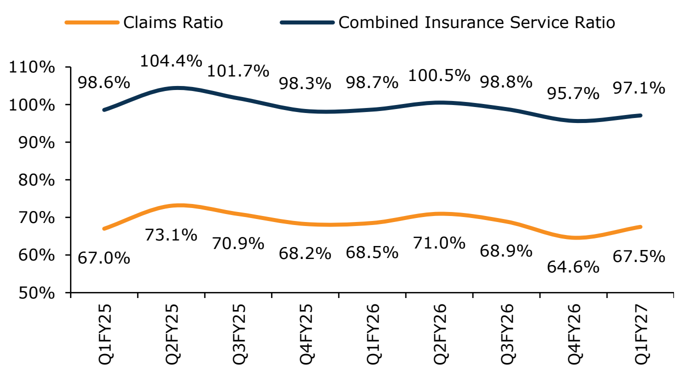

*Source: Company, Emkay Research*

**Exhibit 6: Acquisition expense ratio largely flat yoy**



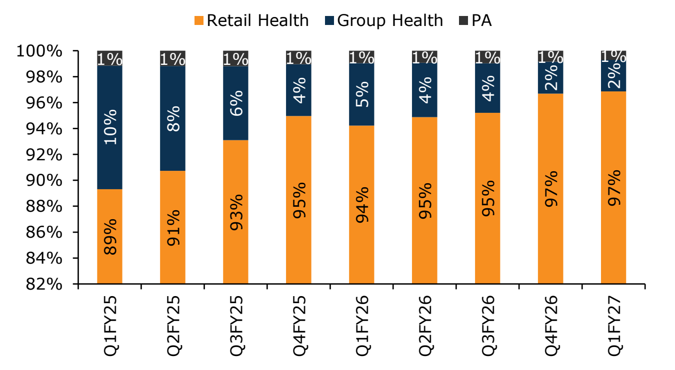

*Source: Company, Emkay Research*

**Exhibit 7: Improvement in claims ratios drove improvement in combined ratio (CISR)**



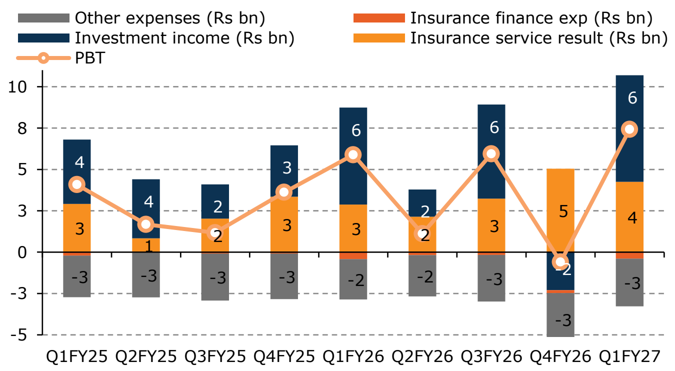

*Source: Company, Emkay Research*

**Exhibit 8: Retail Health continues to dominate the product mix**



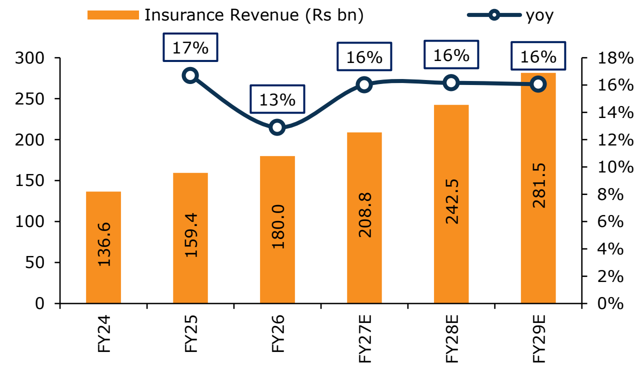

*Source: Company, Emkay Research*

**Exhibit 9: PBT increases to Rs7bn**



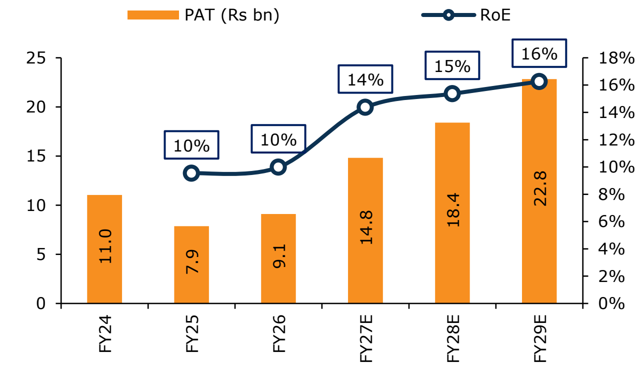

*Source: Company, Emkay Research*

**Exhibit 10: We expect Star Health's Insurance revenue to grow ~16% over FY27-29E**



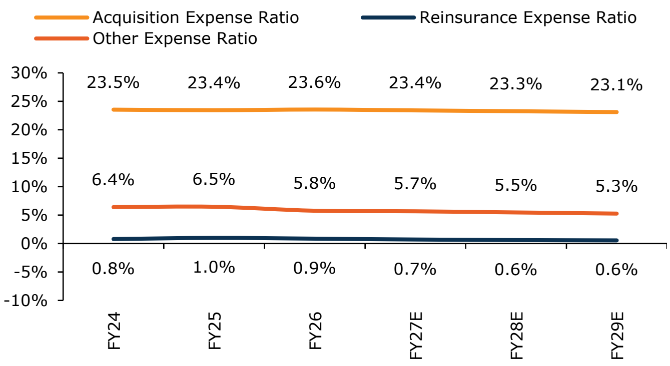

*Source: Company, Emkay Research*

**Exhibit 11: We expect PAT to increase to Rs22.8bn in FY29E**



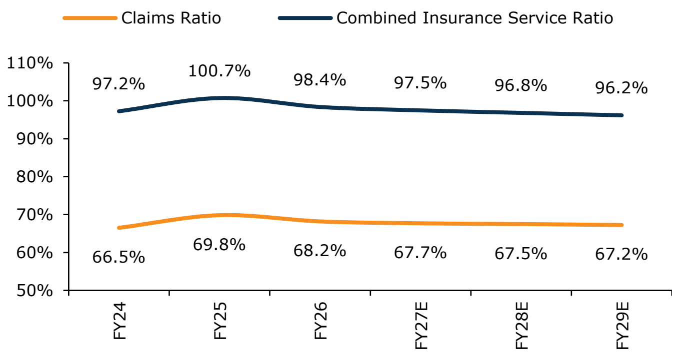

*Source: Company, Emkay Research*

**Exhibit 12: We expect a marginal improvement in expense ratio**




*Source: Company, Emkay Research*

**Exhibit 13: With gradual improvement in claims ratio, we expect combined ratio to improve over FY27-29E**




*Source: Company, Emkay Research*

# Earnings conference call highlights

- Insurance revenue growth of 13.4% versus GWP growth of 19% is a function of the long-term policy element in growth, which is not immediately recognized and unwinds over 2-3Y; the management expects insurance revenue growth to touch 15-16% in coming quarters and to continue the growth trend in FY28 too.
- On share of fresh premium in insurance revenue, the management broadly maintained the fresh-to-renewal split at 20:80, and noted that although fresh growth is strong, the long-term component defers recognition, so the mix sees only a gradual shift.
- The loss ratio levers were characterized as a 360-degree approach sustained over the last 18 months — repricing of the portfolio having started two years ago, portfolio and geographic mix selection, efficient claims management with better fraud control and claims governance, and the wellness and telemedicine build-out.
- Teleconsultations scaled to ~50,000 in the quarter versus ~9,000 in the year-ago quarter, and Management expects telemedicine to be the most visible contributor in 2Q, given the seasonal rise in infectious disease incidence.
- On retail versus group, Management confirmed improvement in the retail loss ratio, so the aggregate improvement is not merely a mix effect from the shrinking group book, though the group runoff did contribute.
- Pricing is justified product-by-product on actuarial evaluation, and the management indicated it will pass benefits to non-claimants through discounts as part of the pricing architecture.
- Management confirmed that medical infectious disease incidence is rising this season as usual and that 2Q is structurally a higher loss ratio quarter for health insurance, with a similar seasonal trend expected this year.
- Management indicated the net reinsurance expense should run at 0.5-0.6% of insurance revenue for FY27-28 versus ~0.9% in FY26.
- Management reiterated that tech and digitization investment plus efficiency and productivity focus should deliver a consistent 30-40bps annual improvement in the expense ratio over the years.
- On a steady-state Ind AS basis, the management reiterated the articulated ambition of delivering mid-to-high teens ROE, noting the structural move in that direction over the last 3-4 quarters.
- Long-term business is now ~40% of fresh retail premium, the driver of the widening gap between reported GWP and insurance revenue.
- Senior citizens account for under 5% of the book, with the overall portfolio skewed toward younger consumer cohorts.
- The forward strategy rests on three priorities—driving sustainable growth through deeper proprietary distribution, enhancing core underwriting profitability through rigorous portfolio management and risk-lifecycle analytics, and customer centricity through technology-led capability.
- Proprietary channels—agency and digital D2C—contributed >90% of overall retail business, which the management argued gives superior leverage over customer selection, quality of sales, and acquisition economics.

**Exhibit 14: Financial Summary**

| (Rs mn) | FY24 | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|---|
| GWP | 152,508 | 167,814 | 186,210 | 218,645 | 252,648 | 291,704 |
| Insurance Revenue | 136,627 | 159,428 | 179,986 | 208,806 | 242,542 | 281,494 |
| Insurance Service Expenses | 123,029 | 148,708 | 165,145 | 190,232 | 220,118 | 254,343 |
| --Claims Incurred | 90,870 | 111,341 | 122,744 | 141,355 | 163,708 | 189,296 |
| --Acquisition Costs (incl Commission and Other expenses) | 32,159 | 37,367 | 42,401 | 48,877 | 56,410 | 65,047 |
| Net expenses from Reinsurance | 1,078 | 1,586 | 1,538 | 1,471 | 1,466 | 1,561 |
| **Insurance Service Result** | **12,520** | **9,135** | **13,303** | **17,103** | **20,958** | **25,590** |
| Investment Income | 11,731 | 12,624 | 10,906 | 16,412 | 19,017 | 22,142 |
| Insurance Finance Expenses | 188 | 417 | 948 | 1,099 | 1,277 | 1,482 |
| **Net Finance Result** | **11,543** | **12,207** | **9,959** | **15,313** | **17,740** | **20,660** |
| Other Expenses (Insurance Related) | 8,713 | 10,247 | 10,372 | 11,788 | 13,214 | 14,780 |
| Underwriting Profit | 3,619 | -1,530 | 1,983 | 4,215 | 6,466 | 9,328 |
| Other Finance Expenses | 550 | 552 | 550 | 550 | 550 | 550 |
| Profit before tax | 14,800 | 10,543 | 12,339 | 20,077 | 24,933 | 30,921 |
| Taxes | 3,766 | 2,674 | 3,230 | 5,256 | 6,527 | 8,094 |
| **Profit After Tax** | **11,034** | **7,868** | **9,109** | **14,821** | **18,406** | **22,826** |
| **Balance Sheet** | | | | | | |
| **Assets** | | | | | | |
| Cash and Cash Equivalents | 4,446 | 6,684 | 8,216 | 9,037 | 9,941 | 10,935 |
| Investments | 158,600 | 182,956 | 210,078 | 242,668 | 281,934 | 328,891 |
| Other Finance Assets | 2,997 | 2,556 | 3,741 | 3,324 | 3,847 | 4,448 |
| Reinsurance Contract Assets | 6,533 | 10,388 | 9,214 | 10,904 | 12,792 | 14,996 |
| Fixed Assets and Intangible Assets | 3,134 | 3,227 | 2,865 | 3,009 | 3,159 | 3,317 |
| Current tax assets | 678 | 471 | 311 | 788 | 979 | 1,214 |
| Other Assets | 1,020 | 1,175 | 1,767 | 1,943 | 2,138 | 2,351 |
| **Total Assets** | **177,407** | **207,459** | **236,190** | **271,673** | **314,789** | **366,153** |
| Liabilities | | | | | | |
| Insurance Contract Liabilities | 75,644 | 91,496 | 109,987 | 128,875 | 150,445 | 175,480 |
| Borrowings | 4,899 | 4,897 | 4,899 | 4,899 | 4,899 | 4,899 |
| Other Financial Liabilities | 11,446 | 13,600 | 15,701 | 16,884 | 19,425 | 22,348 |
| Deferred Tax Life | 1,424 | 2,016 | 3,129 | 3,191 | 3,255 | 3,320 |
| Other Liabilities | 5,548 | 8,591 | 6,325 | 6,815 | 7,310 | 7,781 |
| Provisions | 147 | 184 | 368 | 405 | 446 | 490 |
| **Total Liabilities** | **99,108** | **120,785** | **140,409** | **161,070** | **185,780** | **214,318** |
| **Equity** | **78,300** | **86,674** | **95,871** | **110,603** | **129,009** | **151,835** |
| **Equity and liabilities** | **177,407** | **207,459** | **236,190** | **271,673** | **314,789** | **366,153** |
| **Key Ratios** | | | | | | |
| Claims Ratio | 66.5% | 69.8% | 68.2% | 67.7% | 67.5% | 67.2% |
| Acquisition Expense Ratio | 23.5% | 23.4% | 23.6% | 23.4% | 23.3% | 23.1% |
| Reinsurance Expense Ratio | 0.8% | 1.0% | 0.9% | 0.7% | 0.6% | 0.6% |
| Other Expense Ratio | 6.4% | 6.5% | 5.8% | 5.7% | 5.5% | 5.3% |
| Combined Ratio (incl Reinsurance and Other Expenses) | 97.2% | 100.7% | 98.4% | 97.5% | 96.8% | 96.2% |
| Investment Yield | | 7.4% | 5.5% | 7.3% | 7.3% | 7.3% |
| Tax Rate | 25.4% | 25.4% | 26.2% | 26.2% | 26.2% | 26.2% |
| ROE | 0.0% | 9.5% | 10.0% | 14.4% | 15.4% | 16.3% |
| Investment Leverage (x) | 1.96 | 2.05 | 2.14 | 2.15 | 2.15 | 2.13 |
| | | | | | | |
| **Per Share Data (Rs)** | | | | | | |
| EPS Basic (Rs) | 18.9 | 13.4 | 15.5 | 25.2 | 31.3 | 38.8 |
| EPS Diluted (Rs) | 18.5 | 13.4 | 15.5 | 25.2 | 31.3 | 38.8 |
| BVPS (Rs) | 133.8 | 147.5 | 162.8 | 188.0 | 219.3 | 258.0 |



*Source: Company, Emkay Research*

# Star Health: Standalone Financials and Valuations

### Profit & Loss

| Y/E March (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Gross written premium | 167,814 | 186,210 | 218,645 | 252,648 | 291,704 |
| Insurance Revenue | 159,428 | 179,986 | 208,806 | 242,542 | 281,494 |
| Claims Incurred | 111,341 | 122,744 | 141,355 | 163,708 | 189,296 |
| Acquisition Costs | 37,367 | 42,401 | 48,877 | 56,410 | 65,047 |
| Net expenses from reinsurance contracts | 1,586 | 1,538 | 1,471 | 1,466 | 1,561 |
| **Insurance Service Result** | **9,135** | **13,303** | **17,103** | **20,958** | **25,590** |
| Investment Income | 12,624 | 10,906 | 16,412 | 19,017 | 22,142 |
| Insurance Finance Expenses | 417 | 948 | 1,099 | 1,277 | 1,482 |
| **Net Finance Result** | **12,207** | **9,959** | **15,313** | **17,740** | **20,660** |
| Other income | 63 | 4 | 40 | 40 | 40 |
| Other expenses | 10,310 | 10,376 | 11,828 | 13,254 | 14,820 |
| Other finance costs | 552 | 550 | 550 | 550 | 550 |
| Other expenses (net) | 10,799 | 10,922 | 12,338 | 13,764 | 15,330 |
| **Underwriting Profit** | **(1,530)** | **1,983** | **4,215** | **6,466** | **9,328** |
| PBT | 10,543 | 12,339 | 20,077 | 24,933 | 30,921 |
| Tax expense | 2,674 | 3,230 | 5,256 | 6,527 | 8,094 |
| PAT | 7,868 | 9,109 | 14,821 | 18,406 | 22,826 |
| PAT growth (%) | (28.7) | 15.8 | 62.7 | 24.2 | 24.0 |
| **Adjusted PAT** | **7,868** | **9,109** | **14,821** | **18,406** | **22,826** |
| Diluted EPS (Rs) | 13.4 | 15.5 | 25.2 | 31.3 | 38.8 |
| Diluted EPS growth (%) | (27.7) | 15.6 | 62.6 | 24.2 | 24.0 |
| | | | | | |
| Effective tax rate (%) | 25 | 26 | 26 | 26 | 26 |
| Shares outstanding (mn) | 587.8 | 588.4 | 588.4 | 588.4 | 588.4 |

*Source: Company, Emkay Research*

### Balance Sheet

| Y/E March (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| Cash and cash equivalents | 6,684 | 8,216 | 9,037 | 9,941 | 10,935 |
| Investments | 182,956 | 210,078 | 242,668 | 281,934 | 328,891 |
| Other financial assets | 2,556 | 3,741 | 3,324 | 3,847 | 4,448 |
| Reinsurance contract assets | 10,388 | 9,214 | 10,904 | 12,792 | 14,996 |
| Fixed assets and Intangible assets | 3,227 | 2,865 | 3,009 | 3,159 | 3,317 |
| Current tax assets | 471 | 311 | 788 | 979 | 1,214 |
| Other assets | 1,175 | 1,767 | 1,943 | 2,138 | 2,351 |
| **Total assets** | **207,459** | **236,190** | **271,673** | **314,789** | **366,153** |
| Insurance contract liabilities | 91,496 | 109,987 | 128,875 | 150,445 | 175,480 |
| Borrowings | 4,897 | 4,899 | 4,899 | 4,899 | 4,899 |
| Other financial liabilities | 13,600 | 15,701 | 16,884 | 19,425 | 22,348 |
| Deferred tax liabilities | 2,016 | 3,129 | 3,191 | 3,255 | 3,320 |
| Other liabilities | 8,591 | 6,325 | 6,815 | 7,310 | 7,781 |
| Provisions | 184 | 368 | 405 | 446 | 490 |
| **Total Liabilities** | **120,785** | **140,409** | **161,070** | **185,780** | **214,318** |
| Share Capital | 5,878 | 5,884 | 5,884 | 5,884 | 5,884 |
| Other equity | 80,796 | 89,897 | 104,719 | 123,125 | 145,951 |
| **Total Equity** | **86,674** | **95,781** | **110,603** | **129,009** | **151,835** |
| **Total liabilities and equity** | **207,459** | **236,190** | **271,673** | **314,789** | **366,153** |
| BVPS (Rs) | 147.5 | 162.8 | 188.0 | 219.3 | 258.0 |
| Investment leverage (x) | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| Net investment yield (%) | 7.4 | 5.5 | 7.3 | 7.3 | 7.3 |
| Insurance Revenue /Networth (x) | 1.8 | 1.9 | 1.9 | 1.9 | 1.9 |

*Source: Company, Emkay Research*

### Miscellaneous Metrics

| Y/E Mar (Rs mn) | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| **Operating metrics (%)** | | | | | |
| Incurred claims ratio | 69.8 | 68.2 | 67.7 | 67.5 | 67.2 |
| Acquisition expense ratio | 23.4 | 23.6 | 23.4 | 23.3 | 23.1 |
| Reinsurance expense ratio | 1.0 | 0.9 | 0.7 | 0.6 | 0.6 |
| Other operating expense ratio | 6.5 | 5.8 | 5.7 | 5.5 | 5.3 |
| **Combined Insurance Service Ratio** | **100.7** | **98.4** | **97.5** | **96.8** | **96.2** |
| | | | | | |
| Solvency ratio | 221.3 | 203.5 | 199.9 | 191.2 | 183.2 |
| | | | | | |
| **Claims ratio (%)** | | | | | |
| Motor TP | - | - | - | - | - |
| Motor OD | - | - | - | - | - |
| Health | 69.8 | 68.2 | 67.7 | 67.5 | 67.2 |
| Fire | - | - | - | - | - |
| Crop | - | - | - | - | - |
| Others | - | - | - | - | - |
| **GWP mix (%)** | | | | | |
| Motor TP | - | - | - | - | - |
| Motor OD | - | - | - | - | - |
| Health | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Fire | - | - | - | - | - |
| Crop | - | - | - | - | - |
| Others | 0 | 0 | 0 | 0 | 0 |
| **Total** | **100.0** | **100.0** | **100.0** | **100.0** | **100.0** |

*Source: Company, Emkay Research*

### Valuation & Key Metrics

| Y/E March | FY25 | FY26 | FY27E | FY28E | FY29E |
|---|---|---|---|---|---|
| P/B (x) | 4.1 | 3.7 | 3.2 | 2.8 | 2.4 |
| P/E (x) | 45.5 | 39.4 | 24.2 | 19.5 | 15.7 |
| P/Float (x) | 2.0 | 1.7 | 1.5 | 1.3 | 1.1 |
| P/GWP (x) | 2.1 | 1.9 | 1.6 | 1.4 | 1.2 |
| Dividend yield (%) | - | - | - | - | - |
| **Dupont-RoE split (%)** | | | | | |
| Insurance Revenue | 82.8 | 81.1 | 82.2 | 82.7 | 82.7 |
| Net incurred claims | 57.9 | 55.3 | 55.7 | 55.8 | 55.6 |
| Acquisition and Other Expenses | 25.8 | 24.9 | 24.9 | 24.7 | 24.3 |
| **Underwriting profit** | **(0.8)** | **0.9** | **1.7** | **2.2** | **2.7** |
| Investment income | 6.6 | 4.9 | 6.5 | 6.5 | 6.5 |
| **Other Finance Expenses** | **0.3** | **0.2** | **0.2** | **0.2** | **0.2** |
| PBT | 5.5 | 5.6 | 7.9 | 8.5 | 9.1 |
| Tax expense | 1.4 | 1.5 | 2.1 | 2.2 | 2.4 |
| **RoA** | **4.1** | **4.1** | **5.8** | **6.3** | **6.7** |
| Leverage ratio (x) | 2.4 | 2.5 | 2.5 | 2.4 | 2.4 |
| **RoE** | **9.5** | **10.0** | **14.4** | **15.4** | **16.3** |
| **Growth rates (%)** | | | | | |
| Gross written premium | 10.0 | 11.0 | 17.4 | 15.6 | 15.5 |
| Insurance Revenue | 16.7 | 12.9 | 16.0 | 16.2 | 16.1 |
| Claims Incurred | 46.0 | 33.8 | 38.6 | 39.1 | 38.7 |
| Insurance service result | (27.0) | 45.6 | 28.6 | 22.5 | 22.1 |
| Underwriting profit | (142.3) | (229.6) | 112.6 | 53.4 | 44.3 |
| PAT | (28.7) | 15.8 | 62.7 | 24.2 | 24.0 |

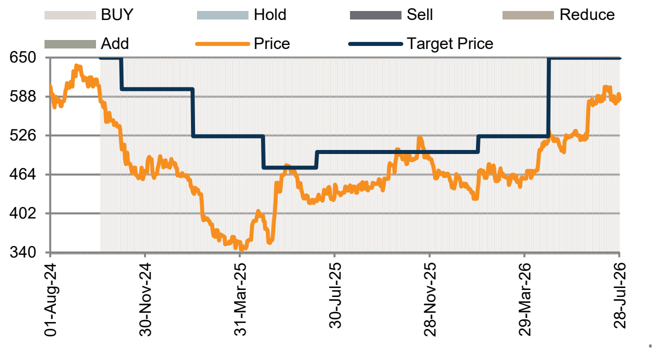
*Source: Company, Emkay Research*

## RECOMMENDATION HISTORY - DETAILS

| Date | Closing Price (Rs) | TP (Rs) | Rating | Analyst |
|---|---|---|---|---|
| 06-Jul-26 | 581 | 650 | Buy | Avinash Singh |
| 29-Apr-26 | 533 | 650 | Buy | Avinash Singh |
| 28-Apr-26 | 517 | 525 | Buy | Avinash Singh |
| 06-Apr-26 | 459 | 525 | Buy | Avinash Singh |
| 23-Mar-26 | 444 | 525 | Buy | Avinash Singh |
| 29-Jan-26 | 451 | 525 | Buy | Avinash Singh |
| 19-Jan-26 | 438 | 500 | Buy | Avinash Singh |
| 06-Jan-26 | 452 | 500 | Buy | Avinash Singh |
| 01-Jan-26 | 465 | 500 | Buy | Avinash Singh |
| 17-Dec-25 | 462 | 500 | Buy | Avinash Singh |
| 04-Dec-25 | 465 | 500 | Buy | Avinash Singh |
| 30-Oct-25 | 481 | 500 | Buy | Avinash Singh |
| 16-Oct-25 | 490 | 500 | Buy | Avinash Singh |
| 06-Oct-25 | 458 | 500 | Buy | Avinash Singh |
| 23-Sep-25 | 451 | 500 | Buy | Avinash Singh |
| 21-Aug-25 | 440 | 500 | Buy | Avinash Singh |
| 30-Jul-25 | 448 | 500 | Buy | Avinash Singh |
| 21-Jul-25 | 442 | 500 | Buy | Avinash Singh |
| 07-Jul-25 | 422 | 500 | Buy | Avinash Singh |
| 30-Apr-25 | 390 | 475 | Buy | Avinash Singh |

*Source: Company, Emkay Research*

## RECOMMENDATION HISTORY - TREND




*Source: Company, Bloomberg, Emkay Research*

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