



Choice
Nurturing Financial Excellence

IPO REPORT

**“Subscribe with Caution” to
Star Health and Allied Insurance Company Ltd.**

Fully priced issue

Salient features of the IPO:

- Backed by Rakesh Jhunjhunwala and India's first pure-play health insurance company, **Star Health and Allied Insurance Company Ltd.** (Star Health), is coming up with an IPO to raise Rs. 7,250cr, which opens on 30th Nov. and closes on 2nd Dec. 2021. The price band is Rs. 870 - 900 per share.
- The issue is a combination of fresh and OFS. The company will not receive any proceeds from the OFS part of the issue. Net proceeds from the fresh issue will be used to augment the capital base, thereby maintaining the solvency levels of the company.
- In the last 6-12 months, the company has issued shares to the investors at significant discount to the issue price.

Key competitive strengths:

- The largest private health insurance company in India with leadership in the attractive retail health segment
- One of the largest and well spread distribution networks in the health insurance industry and an integrated ecosystem that enables to continue to access the growing retail health insurance market
- A diversified product suite with a focus on innovative and specialized products
- Strong risk management focus with domain expertise driving a superior claims ratio and quality customer service
- Substantial investment in technology & innovative business processes
- Consistently demonstrated superior operating and financial performance
- An experienced senior management team with strong sponsorship

Risk and concerns:

- Unfavorable government policies and regulations
- Continued risk from the Covid-19 pandemic
- Unfavorable movement in the interest rates
- Inability to manage hospital network and distribution channels
- Difficulty in improving and maintaining the profitability
- Competition

Below are the key highlights of the company:

- The Indian health insurance market remains in the early stages of its life cycle and continues to be one of the most underpenetrated markets globally. Lower health insurance density as compared to developed world indicates huge scope of growth in the sector. A number of factors including increasing life expectancy, population growth, relatively higher out-of-pocket expenditure on healthcare, growing awareness of health insurance etc. are expected to continue to drive growth in the health insurance sector in India. Compared to other health insurance segments, retail health insurance segment is one of the most attractive mainly due to lower penetration, density & claims ratio, as well as its higher premium per person in India.
- Covid-19 pandemic is expected to bring higher demand for health insurance in near-to-medium term. On the contrary, health insurers may be impacted by increase in claim pay-outs in the short term. Historically, across the globe outbreak of any disease enhances the awareness of health insurance and opportunity for health insurers. Currently, the awareness of health insurance is at all-time high and thus is expected to benefit the sector.

Recommendation	Subscribe with Caution
Price band	Rs. 870 - 900 per share
Face value	Rs. 10
Shares for fresh issue	2.222 - 2.299cr shares
Shares for OFS	5.832cr shares
Fresh issue size	Rs. 2,000cr
OFS issue size	Rs. 5,074.2 - 5,249.2cr
Total issue size	8.055 - 8.131cr shares (Rs. 7,074.2 - 7,249.2cr)
Employee reservation	0.111 - 0.115cr shares (Rs. 100cr)
Net issue size	7.944 - 8.016cr shares (Rs. 6,974.2 - 7,149.2cr)
Bidding date	30 th Nov. - 2 nd Dec. 2021
MCAP at higher price band	Rs. 51,796cr
Book running lead manager	Kotak Mahindra Capital Company Ltd., Axis Capital Ltd., BofA Securities India Ltd., Citigroup Global Markets India Pvt. Ltd., ICICI Securities Ltd., CLSA India Pvt. Ltd., Credit Suisse Securities (India) Pvt. Ltd., Jefferies India Pvt. Ltd., Ambit Pvt. Ltd., DAM Capital Advisors Ltd., IIFL Securities Ltd. and SBI Capital Markets Ltd.
Registrar	KFin Technologies Pvt. Ltd.
Sector	General Insurance
Promoters	Safecrop Investments India Llp, Westbridge AIF I and Mr. Rakesh Jhunjhunwala

Issue breakup		
Category	Percent of issue (%)	Number of shares
QIB portion	75%	5.958 - 6.012cr shares
Non institutional portion	15%	1.192 - 1.202cr shares
Retail portion	10%	0.794 - 0.802cr shares

Indicative IPO process time line	
Finalization of basis of allotment	7 th Dec. 2021
Unblocking of ASBA account	8 th Dec. 2021
Credit to demat accounts	9 th Dec. 2021
Commencement of trading	10 th Dec. 2021

Pre and post - issue shareholding pattern		
	Pre-issue	Post-issue
Promoter & promoter group	66.22%	58.30%
Public	33.78%	41.70%
Total	100.00%	100.00%

Retail application money at higher cut-off price per lot	
Number of shares per lot	16
Employee discount	Rs. 80 per equity share
Application money	Rs. 14,400 per Lot

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Key highlights of the company (Contd...):

Company name	Face value (Rs.)	CMP (Rs.)	MCAP (Rs. cr)	Stock return (%)				Health insurance market share in FY21	Retail health insurance market share in FY21	Net premium earned (Rs. cr)	Total income (Rs. cr)	Operating profit / (loss) (Rs. cr)	Reported PAT (Rs. cr)
				1 M	3 M	6 M	1 Y						
Star Health and Allied Insurance Company Ltd.	10	900	51,796					16.0%	31.3%	5,023	5,283	(1,071)	(826)
ICICI Lombard General Insurance Company Ltd.	10	1,489	73,025	-0.7%	1.6%	-0.4%	8.5%	5.0%	2.8%	10,014	12,161	1,955	1,473
The New India Assurance Company Ltd.	5	154	25,453	-3.0%	1.1%	-5.0%	34.3%	18.0%	9.9%	26,234	30,712	718	1,605
Average													

Company name	4Y CAGR policy issued growth	4Y CAGR gross premium growth	Gross premium mix in FY21		3Y CAGR operating profit / (loss) growth	3Y networth growth	3Y average net retention ratio	3Y average net commission ratio	3Y average management expenses ratio	3Y average net incurred claims to net earned premium	4Y average combined ratio
			Retail	Group							
Star Health and Allied Insurance Company Ltd.	27.5%	31.7%	89.0%	11.0%		111.5%	76.0%	8.8%	28.4%	72.3%	100.3%
ICICI Lombard General Insurance Company Ltd.	-54.4%	12.6%	27.0%	71.0%	26.0%	19.8%	70.0%	4.2%	25.6%	72.3%	99.8%
The New India Assurance Company Ltd.	2.4%	15.3%	24.0%	72.0%		-0.5%	79.7%	6.4%	17.5%	90.3%	181.5%
Average	-26.0%	13.9%	25.5%	71.5%	26.0%	9.6%	74.8%	5.3%	21.6%	81.3%	140.6%

Company Name	4Y average health insurance claim ratio	4Y average RoE	T4Y average solvency ratio	4Y average yield on investment	EPS (Rs.)	BVPS (Rs.)	DPS (Rs.)	Dividend payout ratio	RoE	TTM P / E (x)	P / B (x)	MCAP / Gross premium (x)	MCAP / Net premium (x)
Star Health and Allied Insurance Company Ltd.	71.3%	2.8%	2.0	7.5%	(14.3)	95.4			-35.5%	(62.7)	9.4	5.5	10.3
ICICI Lombard General Insurance Company Ltd.	84.0%	19.8%	2.4	8.1%	32.4	163.6	8.0	24.7%	21.3%	45.9	9.1	5.1	7.3
The New India Assurance Company Ltd.	99.5%	4.2%	2.2	14.8%	9.8	112.5			4.9%	15.8	1.4	0.8	1.0
Average	91.8%	12.0%					8.0	24.7%	13.1%	30.9	5.2	2.9	4.1

Source: Choice Broking Research

- In FY21, insurance companies collected Rs. 583bn from the health insurance, which accounted for 32% of the total gross premium of general insurance sector. Over FY15-21, gross health insurance premium grew by 19% CAGR and is expected to grow by 18% CAGR over the next four year to reach a size of Rs. 1,143bn by FY25E.
- Apart from other general insurers, there are standalone health insurance (SAHI) companies, which specialize in providing health insurance products & services. As of FY21, SAHI companies contributed 26% to the overall health insurance market. On segmental front, SAHI companies accounted for 46% in the retail health insurance market.
- Star Health is the only SAHI company among the top-5 health insurance companies in India. Established in 2006, it has grown to a largest private company in health insurance with a market share of 15.8% in FY21. In the last four years, its market share has increased by around 5ppts.
- Within the health insurance umbrella, Star Health focused largely on the retail segment and generated close to 90% of its premiums come from this segment, which is much higher than any of its peers. The company is a leader in the retail health insurance business and accounted for over 31% of the gross premium collected in FY21. Over FY18-21, it has improved its market share from 19.8% in FY18 to 31.3% in FY21. In term of number of policies issued in FY21, Star Health was the market leader with 27% share in the total health insurance policies issued in FY21.
- In FY21, the company insured 2.05cr lives and generated a gross premium of Rs. 9,349cr. It offers a range of flexible and comprehensive coverage options primarily for retail health, group health, personal accident and overseas travels. Retail and group health contributed 87.9% and 10.5% to the gross premium in FY21. Star Health's products target customers, which includes individuals, families, students, senior citizens, as well as persons with pre-existing medical conditions across the broader middle market customer segment.

Key highlights of the company (Contd...):

- It distributes health insurance policies primarily through individual agents, which accounted for 78.9% of its gross premium in FY21. Between FY19-21, total number of individual agents grew at 27.3% CAGR to 4.6lakh in FY21 and 5.1lakh by Sept. 2021. The company has the largest number of individual agents among SAHI insurers. Its distribution channel also includes corporate agent banks, which accounted for 2.4% of gross premium in FY21. Star Health leads the market in terms of new branch opening from FY18. Over FY18-21, its branch network expanded by 26.3% CAGR to 737 in FY21 and further to 779 branches by H1 FY22.
- In terms of hospital reach, Star Health had 11,778 hospitals in network as of Sept. 2021. Out of the total number of hospitals, the company had entered into pre-agreed arrangements with 7,741 hospitals and processed 3.3lakh or 55% of its total cashless claims.
- Covid-19 pandemic has severely impacted the performance of the company. Pandemic has resulted into higher claims and deterioration of the solvency ratio of the company. Covid-19 claim size was almost double as compared to non-Covid-19 related claim size. In FY21, the pandemic accounted for 30% of its net paid claims by value. Further with severe second wave, this increased to 41% of the net paid claims by value. Consequently, the net incurred claims ratio increased to 87% in FY21 as compared to 64.2% and 65.8% in FY19 and FY20, respectively. For H1 FY22, this ratio stood at 88.2% as compared to 60.3% in H1 FY21. Covid-19 pandemic was one of the key reasons for the company reporting an operating loss of Rs. 1,071.2cr in FY21 as compared to a profit of Rs. 360.8cr in FY20. Its solvency ratio declined from 2.2x in FY21 to 1.52x in H1 FY21, (as against the regulatory requirement of 1.5x).
- With almost successful vaccination drive by the government, we feel that pandemic being the key risk for the company is subsidized for the near term. But re-emergence of another wave in the country or occurrence of any deadly variant will be considered negative for the company. However, with evolving maturity in the medical treatments for the pandemic, we feel that the risk for the Star Health will be lesser as compare the risk levels in H1 FY22. Also the company will use the net proceeds from the fresh issue to boost its solvency ratio. According to the management, post-IPO it doesn't foresee any requirement of funds in the near term.
- Over FY19-21, Start Health has reported a rapid growth in the business, but its profitability was mainly impacted by higher claims arising from the Covid-19 pandemic. On the back of 27.5% CAGR growth in the number of policies issued, the company has reported 31.4% CAGR increase in gross premiums, which stood at Rs. 9,349cr in FY21. Due to change in the reserve requirement for the unexpired risks in FY21, total income in the revenue account increased by 19.3% CAGR over FY19-21 to Rs. 5,283.4cr in FY21. Higher Covid-19 related claims led to an operating loss (in the revenue account) of Rs. 1,071.2cr as compared to a profit of Rs. 360.8cr and Rs. 164.7cr in FY20 and FY19, respectively. Consequently, reported PAT in the shareholder's account was a loss of Rs. 825.6cr as compared to a profit of Rs. 272cr and Rs. 128.2cr in FY20 and FY19, respectively.
- For the TTM, total income in the revenue account stood at Rs. 7,375.1cr, mainly positively impacted by higher net premium (in H1 FY21, the company's operations was impacted by the pandemic induced lockdown and restrictions) and discontinuance of the VQST reinsurance treaty. Higher claims arising from the second wave of the pandemic has led to an operating loss (in the revenue account) of Rs. 2,003.5cr. Reported PAT in the shareholder's account was Rs. 1,405.1cr. The pandemic has led to deterioration in the operating metric of the company. Combined ratio has increased to 122% in FY21. Solvency ratio was at 2.2x in FY21 (supported by fund raising in FY21), but it declined to 1.52x in H1 FY22 (marginally above the regulatory requirement).

Peer comparison and valuation: Macros of the health insurance segment is very positive. Moreover, because of pandemic, awareness of the health insurance is at all time high. Star Health being a dominant player focusing on the retail health insurance is well placed to benefit from the expansion in the market. Pandemic despite positively impacting business growth, has impacted the profitability severely. In future occurrence of new virus wave or emergence of new variant will be a concern for the profitability. However, the risk will be lower as compared to levels witnessed during H1 FY22.

The peers considered for benchmarking the valuation operate in general insurance market and health insurance is one of their various offerings. Thus these can be considered as proxy peer. At higher price band of Rs. 900, Star Health is demanding a MCAP-to-net premium earned multiple of 10.3x, which is at premium to the peer average. Moreover, the demanded valuations is at elevated premium to recent capital issuance. Thus considering the above observations, we assign a **"Subscribe with Caution"** rating for the issue.

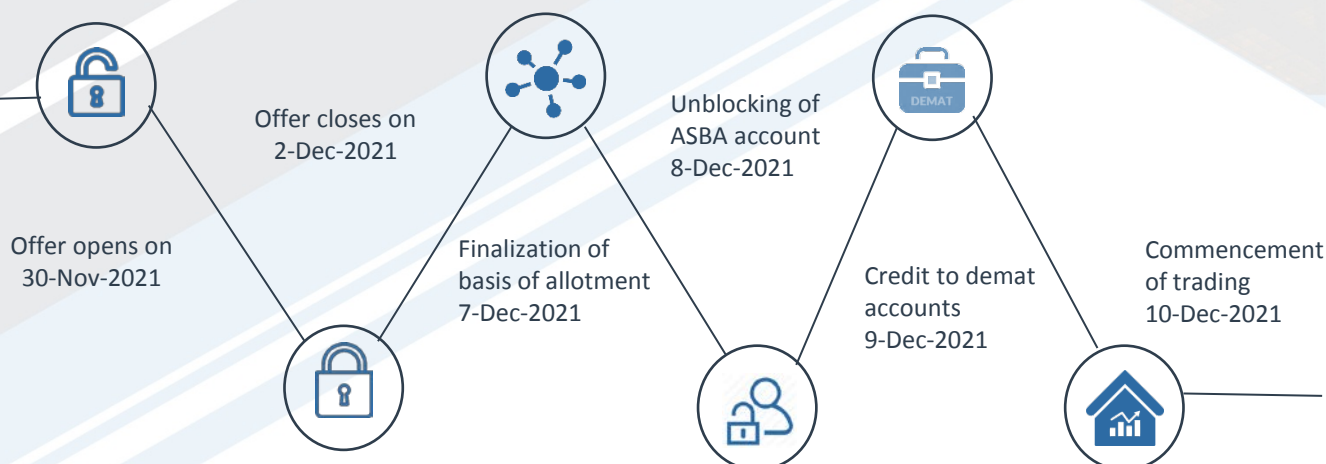
About the issue:

- Star Health is coming up with an IPO with 8.055 - 8.131cr shares (fresh issue: 2.222 - 2.299cr shares; OFS shares: 5.832cr shares) in offering. The offer represents around 14% of its post issue paid-up equity shares of the company. Total IPO size is Rs. 7,074.2 - 7,249.2cr.
- The issue will open on 30th Nov. 2021 and close on 2nd Dec. 2021.
- The issue is through book building process with a price band of Rs. 870 - 900 per share.
- Rs. 100cr is reserved for employees, while discount offered for the employee is Rs. 80 per share. Thus the net issue size is Rs. 6,974.2 - 7,149.2cr.
- The issue is a combination of fresh and OFS. The company will not receive any proceeds from the OFS part of the issue. While net proceeds from the fresh issue will be used to augment the capital base, thereby maintaining the solvency levels of the company.
- 75% of the net issue are reserved for qualified institutional buyers, while 15% and 10% of the net issue is reserved for non-institutional bidders and retail investors, respectively.
- Promoter currently holds 66.22% stake in the company and post-IPO this will come down to 58.30%. Public holding will increase from current 33.78% to 41.70%.

Pre and post-issue shareholding pattern (%)		
	Pre-issue	Post-issue (at higher price band)
Promoter & promoter group (%)	66.22%	58.30%
Public (%)	33.78%	41.70%

Source: Choice Equity Broking

Indicative IPO process time line:



Financial performance:

Performance over FY19-21: Over FY19-21, Start Health has reported a rapid growth in the business, but its profitability was mainly impacted by higher claims arising from the Covid-19 pandemic. On the back of 27.5% CAGR growth in the number of policies issued, the company has reported 31.4% CAGR increase in gross premiums, which stood at Rs. 9,349cr in FY21. Due to change in the reserve requirement for the unexpired risks in FY21, total income in the revenue account increased by 19.3% CAGR over FY19-21 to Rs. 5,283.4cr in FY21. Higher Covid-19 related claims led to an operating loss (in the revenue account) of Rs. 1,071.2cr as compared to a profit of Rs. 360.8cr and Rs. 164.7cr in FY20 and FY19, respectively. Consequently, reported PAT in the shareholder's account was a loss of Rs. 825.6cr as compared to a profit of Rs. 272cr and Rs. 128.2cr in FY20 and FY19, respectively.

TTM financial performance: For the TTM, total income in the revenue account stood at Rs. 7,375.1cr, mainly positively impacted by higher net premium (in H1 FY21, the company's operations was impacted by the pandemic induced lockdown and restrictions) and discontinuance of the VQST reinsurance treaty. Higher claims arising from the second wave of the pandemic has led to an operating loss (in the revenue account) of Rs. 2,003.5cr. Reported PAT in the shareholder's account was Rs. 1,405.1cr.

The pandemic has led to deterioration in the operating metric of the company. Combined ratio has increased to 122% in FY21. Solvency ratio was at 2.2x in FY21 (supported by fund raising in FY21), but it declined to 1.52x in H1 FY22 (marginally above the regulatory requirement).

Financial snapshot (Rs. cr)	FY19	FY20	FY21	H1 FY21	H1 FY22	TTM	CAGR over FY19-21	Y-o-Y (Annual)	Y-o-Y (Semi-annual)
Total income (Revenue account)	3,713.5	4,885.4	5,283.4	2,838.2	4,929.9	7,375.1	19.3%	8.1%	73.7%
Total claims incurred	(2,297.6)	(3,087.4)	(4,369.5)	(1,634.3)	(4,111.0)	(6,846.1)	37.9%	41.5%	151.5%
Net commission	(263.8)	(340.9)	(583.8)	(302.0)	(626.2)	(908.0)	48.8%	71.3%	107.4%
Operating expenses related to insurance business	(982.7)	(1,102.0)	(1,401.4)	(631.3)	(854.4)	(1,624.5)	19.4%	27.2%	35.3%
Other expenses	(4.8)	5.8							
Operating profit / (loss) from revenue account	164.7	360.8	(1,071.2)	270.7	(661.7)	(2,003.5)			
Total income (Shareholders account)	226.3	462.0	(907.8)	334.3	(494.7)	(1,736.8)			
Profit before tax	182.2	413.4	(1,046.0)	316.6	(512.6)	(1,875.2)			
Reported PAT	128.2	272.0	(825.6)	199.3	(380.3)	(1,405.1)			
Restated reported EPS	2.2	4.7	(14.3)	3.5	(6.6)	(24.4)			
Cash flow from operating activities	776.4	647.4	890.4	1,183.1	(82.2)	(374.9)	7.1%	37.5%	-106.9%
Revenue growth rate (%)		119.0%							
Restated reported PAT growth rate (%)		112.1%							
Restated reported PAT margin (%)	77.8%	75.4%	77.1%	73.6%	57.5%	70.1%	(77) bps	169 bps	(1,615) bps
Combined ratio	93%	93%	122%				2,900 bps	2,900 bps	
Claim ratio for health insurance	63%	66%	94%				3,100 bps	2,800 bps	
RoE	14.5%	15.5%	-35.5%						
Gross yield on investment	8.0%	7.0%	7.1%				(87) bps	13 bps	
Solvency ratio	2.0	1.9	2.2						

Source: Choice Equity Broking



Competitive strengths:

- The largest private health insurance company in India with leadership in the attractive retail health segment
- One of the largest and well spread distribution networks in the health insurance industry and an integrated ecosystem that enables to continue to access the growing retail health insurance market
- A diversified product suite with a focus on innovative and specialized products
- Strong risk management focus with domain expertise driving a superior claims ratio and quality customer service
- Substantial investment in technology and innovative business processes
- Consistently demonstrated superior operating and financial performance
- An experienced senior management team with strong sponsorship

Business strategy:

- Continue to leverage and enhance market leadership in the attractive retail health insurance segment
- Continue to enhance existing distribution channels and develop alternative channels
- Continue product innovation and provide value added services
- Utilize the digitization of business to improve operational efficiencies and customer service
- Drive profitability by leveraging scale and further improving financial performance
- Respond to the challenges posed by Covid-19 pandemic and adapt to the post-Covid-19 environment



Risk and concerns:

- Unfavorable government policies and regulations
- Continued risk from the Covid-19 pandemic
- Unfavorable movement in the interest rates
- Inability to manage hospital network and distribution channels
- Difficulty in improving and maintaining the profitability
- Competition

Financial statements:

Revenue statement (Rs. cr)

	FY19	FY20	FY21	H1 FY21	H1 FY22	TTM	CAGR over FY19 - 21	Annual growth over FY20	Half yearly growth
Total income	3,713.5	4,885.4	5,283.4	2,838.2	4,929.9	7,375.1	19.3%	8.1%	73.7%
Gross - Claims paid direct	(2,827.4)	(3,887.9)	(5,340.7)	(1,655.0)	(4,397.7)	(8,083.4)	37.4%	37.4%	165.7%
Add: Re-insurance accepted	(0.0)					0.0			
Less: Re-insurance ceded	687.7	942.6	1,326.2	467.0	236.0	1,095.2	38.9%	40.7%	-49.5%
Net claims paid	(2,139.7)	(2,945.3)	(4,014.5)	(1,188.0)	(4,161.7)	(6,988.2)	37.0%	36.3%	250.3%
Add: Claims outstanding at the end of the period	(362.3)	(504.5)	(859.4)	(950.8)	(808.7)	(717.3)	54.0%	70.4%	-14.9%
Less: Claims outstanding at the beginning of the period	204.4	362.3	504.5	504.5	859.4	859.4	57.1%	39.2%	70.4%
Total claims incurred	(2,297.6)	(3,087.4)	(4,369.5)	(1,634.3)	(4,111.0)	(6,846.1)	37.9%	41.5%	151.5%
Gross - Commission paid direct	(746.0)	(919.6)	(1,306.5)	(558.0)	(665.9)	(1,414.4)	32.3%	42.1%	19.4%
Less: Commission on re-insurance ceded	482.2	578.7	722.7	256.0	39.7	506.4	22.4%	24.9%	-84.5%
Net commission	(263.8)	(340.9)	(583.8)	(302.0)	(626.2)	(908.0)	48.8%	71.3%	107.4%
Operating expenses related to insurance business	(982.7)	(1,102.0)	(1,401.4)	(631.3)	(854.4)	(1,624.5)	19.4%	27.2%	35.3%
Other expenses	(4.8)	5.8							
Operating profit / (loss)	164.7	360.8	(1,071.2)	270.7	(661.7)	(2,003.5)			

Profit and loss statement (Rs. cr)

	FY19	FY20	FY21	H1 FY21	H1 FY22	TTM	CAGR over FY19 - 21	Annual growth over FY20	Half yearly growth
Operating profit / (loss) transferred from revenue account	164.7	360.8	(1,071.2)	270.7	(661.7)	(2,003.5)			
Gross income - Interest, dividend & rent	61.2	98.9	161.8	61.5	109.1	209.4	62.7%	63.6%	77.3%
Profit on sale of investments	0.3	2.2	1.3	0.2	51.0	52.1	123.4%	-42.2%	
Other income	0.1	0.0	0.3	1.9	6.9	5.3	72.7%	875.8%	256.3%
Total income (Shareholders account)	226.3	462.0	(907.8)	334.3	(494.7)	(1,736.8)			
Provision for doubtful debts		(0.5)	(34.4)	(0.1)	(0.1)	(34.3)		6635.9%	-16.4%
Provision for impairment of investments	(4.0)	4.0				0.0			
Other expenses	(40.0)	(52.0)	(103.8)	(17.7)	(17.9)	(104.1)	61.1%	99.6%	1.3%
Profit before tax	182.2	413.4	(1,046.0)	316.6	(512.6)	(1,875.2)			
Tax expenses	(54.0)	(141.5)	220.4	(117.3)	132.4	470.0			
Reported PAT	128.2	272.0	(825.6)	199.3	(380.3)	(1,405.1)			
Operating expenses related to insurance business	(982.7)	(1,102.0)	(1,401.4)	(631.3)	(854.4)	(1,624.5)	19.4%	27.2%	35.3%
Other expenses	(4.8)	5.8							
Operating profit / (loss)	164.7	360.8	(1,071.2)	270.7	(661.7)	(2,003.5)			

Balance sheet statement (Rs. cr)

	FY19	FY20	FY21	H1 FY21	H1 FY22	TTM	CAGR over FY19 - 21	Annual growth over FY20	Half yearly growth
Share capital	455.6	490.6	548.1	490.6	553.3	553.3	9.7%	11.7%	12.8%
Share application money	350.0					0.0			
Employee stock option outstanding			0.3		0.7	0.7			
Reserves and surplus	587.1	1,153.0	3,675.8	1,352.3	3,765.2	3,765.2	150.2%	218.8%	178.4%
Fair value change account - Shareholder		1.1	(2.9)	2.6	2.1	2.1			-18.0%
Fair value change account - Policyholder		2.0	(4.7)	5.3	3.6	3.6			-32.2%
Borrowings	250.0	250.0	250.0	250.0	650.0	650.0	0.0%	0.0%	160.0%
Current liabilities	902.3	1,179.4	1,564.3	1,563.1	1,567.0	1,567.0			
Provisions	2,491.9	3,050.6	5,194.6	3,310.2	5,325.1	5,325.1			
Total liabilities	5,036.9	6,126.7	11,225.5	6,974.2	11,867.0	11,867.0	49.3%	83.2%	70.2%
Fixed assets	98.1	101.9	99.0	92.9	115.5	115.5	0.5%	-2.8%	24.3%
Deferred tax asset	142.0	146.7	421.3	74.3	549.2	549.2	72.3%	187.1%	639.0%
Investments - Shareholders	952.3	1,478.2	2,632.1	1,841.9	3,200.5	3,200.5	66.2%	78.1%	73.8%
Investments - Policyholders	2,077.8	2,811.7	4,204.6	3,762.8	5,403.0	5,403.0	42.3%	49.5%	43.6%
Advances and other assets	709.3	976.7	1,265.0	596.2	615.8	615.8	33.5%	29.5%	3.3%
Cash and bank balances	893.0	611.4	1,879.0	606.0	878.1	878.1	45.1%	207.3%	44.9%
Debit balance in profit and loss account	164.4		724.5		1,104.8	1,104.8	109.9%		
Total assets	5,036.9	6,126.7	11,225.5	6,974.2	11,867.0	11,867.0	49.3%	83.2%	70.2%

Source: Choice Equity Broking

Financial statements:

Cash flow statement (Rs. cr)

Particulars (Rs. mn)	FY19	FY20	FY21	H1 FY21	H1 FY22	TTM	CAGR over FY19 - 21	Annual growth over FY20	Half yearly growth
Cash flow from operating activities	776.4	647.4	890.4	1,183.1	(82.2)	(374.9)	7.1%	37.5%	-106.9%
Purchase and construction of property, plant and equipment	(38.5)	(33.7)	(46.1)	(20.9)	(35.0)	(60.2)	9.3%	36.7%	67.6%
Cash flow from investing activities	(731.3)	(1,006.0)	(2,418.2)	(1,442.4)	(1,316.9)	(2,292.7)	81.8%	140.4%	-8.7%
Cash flow from financing activities	333.4	121.9	2,613.5	(25.7)	469.1	3,108.3	180.0%	2044.2%	-1922.3%
Net cash flow	378.5	(236.7)	1,085.6	(285.0)	(930.0)	440.6	69.4%		226.3%
Opening balance of cash	371.6	750.2	513.5	513.5	1,599.1	228.5	17.5%	-31.5%	211.4%
Closing balance of cash	750.2	513.5	1,599.1	228.5	669.1	669.1	46.0%	211.4%	192.8%

Financial ratios

Particulars (Rs. mn)	FY19	FY20	FY21	Q1 FY21	Q1 FY22	TTM
Revenue growth rate (%)		119.0%				
Restated reported PAT growth rate (%)		112.1%				
Restated reported PAT margin (%)	77.8%	75.4%	77.1%	73.6%	57.5%	70.1%
Combined ratio	93%	93%	122%			
Claim ratio for health insurance	63%	66%	94%			
RoE	14.5%	15.5%	-35.5%			
Gross yield on investment	8.0%	7.0%	7.1%			
Solvency ratio	2.0	1.9	2.2			

Source: Choice Equity Broking

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