

Estimate change	
TP change	
Rating change	

Bloomberg	STARHEAL IN
Equity Shares (m)	588
M.Cap.(INRb)/(USDb)	264.8 / 2.9
52-Week Range (INR)	534 / 327
1, 6, 12 Rel. Per (%)	4/3/-7
12M Avg Val (INR M)	506

#### Financials & Valuations (INR b)

Y/E March	2026E	2027E	2028E
NEP	166.0	192.9	221.4
U/W Profit	-4.4	-2.1	-0.8
PBT	7.4	12.0	15.5
PAT	5.6	9.0	11.6
<b>Ratios (%)</b>			
Claims	69.2	69.0	69.0
Commission	15.7	15.7	15.7
Expense	15.6	14.5	13.8
Combined	100.5	99.2	98.5
RoE	7.6	11.2	12.8
EPS (INR)	9.5	15.3	19.7
EPS Growth (%)	-13.9	62.2	28.6
<b>Valuations</b>			
P/E (x)	47.6	29.3	22.8
P/BV (x)	3.5	3.1	2.7

#### Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	58.0	58.0	57.7
DII	21.0	21.1	16.5
FII	14.1	13.5	17.5
Others	7.0	7.4	8.3

FII Includes depository receipts

**CMP: INR450**

**TP: INR560 (+24%)**

**Buy**

#### Robust underwriting performance

- Star Health's (STARHEAL) net earned premium grew 12% YoY to INR42.5b (in line). For 9MFY26, NEP grew 11% YoY to INR123b.
- Claims ratio at 68.5% (vs our estimate of 70.5%) improved 290bp YoY, while net claims incurred grew 7% YoY to INR29.1b. Commission ratio at 15.6% (vs our est. of 16.3%) grew 150bp YoY, while net commission grew 36% YoY to INR6.8b (in line). Expense ratio at 17.9% (vs our est. of 15.6%) grew 20bp YoY, with employee expenses growing 27% YoY (labor code impact of INR165m), while other expenses grew 18% YoY.
- Better-than-expected claims and commission ratios, offset by a higher-than-expected expense ratio, led to a slightly better-than-expected combined ratio of 102.1% (our estimate of 102.4%), improving 120bp YoY. Excluding the impact of labor code (INR165m), the combined ratio would have been 101.7%, 70bp better than our estimates.
- Underwriting loss at INR1.2b was lower than our estimates. A slight miss in investment income at INR3.2b led to an in-line PAT of INR1.3b (-40% YoY). For 9MFY26, PAT declined 31% YoY to INR4b. PAT, excluding the one-time labor code impact, would have been at INR1.4b (-35% YoY), reflecting a 10% beat on our estimates.
- NEP growth was impacted by recalibration in the group health segment and is expected to improve going forward. The company is planning an annual price increase of ~10%, depending on the nature of the product.
- We have largely maintained our estimates, considering a strong underwriting performance, which has been offset by a decline in investment yields. We expect IFRS PAT to post a 26% CAGR over FY25-28. **We reiterate our BUY rating with a TP of INR560 (based on 21x FY28E IFRS PAT).**

#### Strong fresh business growth; IFRS profitability sees substantial rise

- Gross written premium at INR46.2b grew 22% YoY (in line), driven by a 23% YoY growth in retail health premium and offset by a 19% YoY decline in group health premium. For 9MFY26, GWP grew 9% YoY to INR127b.
- The underwriting loss for 3QFY26 came in at INR1.2b (vs. our estimate of INR1.5b), compared to the underwriting loss of INR0.5b in 3QFY25.
- Investment income declined 9% YoY to INR3.2b (7% below est.) in 3QFY26. Investment yield declined to 6.5% in 9MFY26 (8.3% in 9MFY25). AUM increased to INR192b from INR166.7b in 9MFY25, reflecting an improvement in investment leverage to 2.5x (2.3x in 9MFY25).
- The renewal premium ratio was 99% in 9MFY26 (vs. 94% in 9MFY25). Fresh business in the retail health segment grew 37% YoY.
- The solvency ratio was largely stable at 2.14x.
- According to IFRS accounting, insurance revenue grew 11% YoY to INR45.6b, while IFRS PAT grew 410% YoY to INR4.5b in 3QFY26. The IFRS loss ratio for 3QFY26 was at 68.9% (70.9% in 3QFY25). The IFRS combined ratio improved to 98.8% (101.7% in 3QFY25), driven by efficient claims management as well as operational efficiency.
- The IFRS retail loss ratio in 9MFY26 improved 20bp YoY to 69.4%, while the IFRS group health loss ratio improved to 80.6% (92.1% in 9MFY25).

Prayesh Jain - Research Analyst (Prayesh.Jain@MotilalOswal.com) | Nitin Aggarwal (Nitin.Aggarwal@MotilalOswal.com)

Research Analyst: Kartikeya Mohata (Kartikeya.Mohata@MotilalOswal.com) | Muskan Chopra (Muskan.Chopra@MotilalOswal.com)

Investors are advised to refer through important disclosures made at the last page of the Research Report.

- Retail business contributed 95% to STARHEAL's GWP. The retail health market share declined slightly to 31% during 9MFY26. The sum insured of fresh business increased 20% YoY to INR1.2m, as of 9MFY26.
- Agency dominates the channel mix, contributing 83%, followed by digital/banca/corporate at 9%/7%/1%. Agency contributed 67% to fresh GWP, with productivity improving 20% YoY to INR300,000 during 9MFY26, and agent base was at 819,000. Fresh GWP from the banca business declined 8% YoY during 9MFY26, while partnerships increased to 78. The digital channel experienced a strong 46% YoY growth in fresh business during 9MFY26.

### Key takeaways from the management commentary

- The company continues to target mid-teen RoE, with long-term business already operating at these RoE levels.
- Fresh business through agency grew 35% YoY in 9MFY26, with 60% of fresh business originating from semi-urban and rural markets.
- Medical inflation remains elevated, with studies pegging it at 12–13% unless moderated by government interventions.

### Valuation and view

- Premium growth in 3QFY26 remained strong at over 20%, driven by GST exemption and the resetting of base following the impact of 1/n. We remain optimistic about the overall prospects for STARHEAL, backed by: a) consistent growth in retail health, given its under-penetration and GST exemption, b) a strong push from the banca channel, and c) steady growth in specialized products and deepening presence. We believe STARHEAL can deliver long-term growth with the investments made in profitable channels and products.
- The IFRS claims ratio is likely to improve and stabilize at 69-70%, driven by the rising sum assured as well as price hikes. Continued operational efficiency will lead to an improved combined ratio in the long term.
- We have largely maintained our estimates, considering a strong underwriting performance, which has been offset by a decline in investment yields. We expect IFRS PAT to post a 26% CAGR over FY25-28. **We reiterate our BUY rating with a TP of INR560 (based on 21x FY28E IFRS PAT).**

Quarterly Performance													(INR b)	
Y/E March	FY25				FY26				FY25	FY26E	3QFY26E	Act v/s Est. (%)	YoY	QoQ
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4QE						
Gross premium	34.8	43.7	38.0	51.4	36.1	44.2	46.2	60.1	167.8	186.7	45.2	2.4	22%	5%
Net written premium	31.7	39.8	35.6	48.2	34.6	42.3	43.6	56.6	155.3	177.1	43.3	0.8	22%	3%
Net earned premium	35.2	37.0	38.0	38.0	39.4	40.8	42.5	43.3	148.2	166.0	41.5	2.3	12%	4%
Investment Income	1.7	2.1	2.0	1.9	1.8	1.8	1.9	2.1	7.7	7.6	2.1	-6.1	-4%	5%
<b>Total Income</b>	<b>36.9</b>	<b>39.1</b>	<b>40.0</b>	<b>39.9</b>	<b>41.2</b>	<b>42.7</b>	<b>44.4</b>	<b>45.4</b>	<b>155.9</b>	<b>173.6</b>	<b>43.6</b>	<b>1.9</b>	11%	4%
Change YoY (%)	15.7	16.6	15.8	11.5	11.5	9.0	11.1	13.8	14.8	11.3	9.0			
Incurred claims	23.8	27.0	27.1	26.3	27.4	29.2	29.1	29.2	104.2	114.9	29.3	-0.5	7%	0%
Net commission	4.3	5.5	5.0	7.6	5.1	6.9	6.8	9.0	22.4	27.8	7.1	-3.3	36%	-1%
Employee expense	3.7	4.5	4.1	4.6	3.9	4.4	5.2	4.4	16.9	17.9	4.4	17.5	27%	18%
Other expenses	2.0	2.0	2.2	2.3	2.3	2.4	2.6	2.5	8.5	9.7	2.3	11.8	18%	11%
Total Operating Expenses	33.8	39.0	38.5	40.7	38.7	42.8	43.8	45.1	152.0	170.4	43.1	1.6	14%	2%
Change YoY (%)	16.6	18.7	21.1	16.8	14.4	9.9	13.7	10.7	18.3	12.1	11.9			
<b>Underwriting profit</b>	<b>1.4</b>	<b>-1.9</b>	<b>-0.5</b>	<b>-2.8</b>	<b>0.7</b>	<b>-2.0</b>	<b>-1.2</b>	<b>-1.8</b>	<b>-3.8</b>	<b>-4.4</b>	<b>-1.5</b>	<b>-19.3</b>	na	Na
Operating profit	3.1	0.2	1.5	-0.9	2.5	-0.2	0.7	0.3	3.9	3.3	0.5	33.5	-55%	Na
<b>Shareholder's P/L</b>														
Transfer from Policyholders	3.1	0.2	1.5	-0.9	2.5	-0.2	0.7	0.3	3.9	3.3	0.5	33.5	-55%	na
Investment income	1.3	1.5	1.5	1.0	1.2	1.2	1.2	1.3	5.2	4.8	1.3	-8.1	-16%	7%
<b>Total Income</b>	<b>4.4</b>	<b>1.6</b>	<b>3.0</b>	<b>0.1</b>	<b>3.7</b>	<b>1.0</b>	<b>1.9</b>	<b>1.5</b>	<b>9.1</b>	<b>8.1</b>	<b>1.9</b>	<b>3.5</b>	<b>-36%</b>	<b>101%</b>
<b>Total Expenses</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.5</b>	<b>0.7</b>	<b>0.2</b>	<b>23.9</b>	<b>61%</b>	<b>5%</b>
<b>PBT</b>	<b>4.3</b>	<b>1.5</b>	<b>2.9</b>	<b>-0.0</b>	<b>3.5</b>	<b>0.8</b>	<b>1.7</b>	<b>1.4</b>	<b>8.6</b>	<b>7.4</b>	<b>1.7</b>	<b>1.6</b>	-40%	123%
Change YoY (%)	10.9	-11.0	-26.0	.	-17.4	-47.8	-39.6	.	-23.7	-13.9	-40.5			
Tax Provisions	1.1	0.4	0.7	-0.0	0.9	0.2	0.5	0.3	2.2	1.9	0.4	5.9	-37%	98%
<b>Net Profit</b>	<b>3.2</b>	<b>1.1</b>	<b>2.2</b>	<b>0.0</b>	<b>2.6</b>	<b>0.5</b>	<b>1.3</b>	<b>1.1</b>	<b>6.5</b>	<b>5.6</b>	<b>1.3</b>	<b>0.2</b>	-40%	134%
Change YoY (%)	10.8	-11.2	-25.7	-99.6	-17.7	-50.7	-40.4	na	-24%	-14%	-40.5			
<b>Key Parameters (%)</b>														
Share in GWP														
Health-Retail	89.2	90.0	93.0	94.4	93.9	95.7	95.2		92.2	95.0	95.0		1.2	-1.4
Health-Group	9.5	8.0	5.7	4.0	4.8	4.2	3.8		6.6	4.0	3.9		-1.9	-0.4
PA	1.3	2.0	1.3	1.6	1.0	0.9	1.0		1.1	1.0	1.1		-0.3	0.0
Claims ratio	67.6	72.8	71.4	69.2	69.5	71.5	68.5	67.4	70.3	69.2	70.5	-195bp	-290bp	-295bp
Commission ratio	13.5	13.8	14.1	15.8	14.7	16.3	15.6	15.9	14.4	15.7	16.3	-66bp	151bp	-68bp
Expense ratio	18.1	16.4	17.7	14.2	17.9	16.0	17.9	12.2	16.4	15.6	15.6	228bp	16bp	191bp
Combined ratio	99.2	103.0	103.3	99.2	102.2	103.8	102.1	95.5	101.1	100.5	102.4	-33bp	-123bp	-173bp
Solvency	2.3	2.2	2.2	2.2	2.2	2.2	2.1		2.1	2.2				

## Key Performance Indicators

INRb	FY24	FY25	Change	9MFY25	9MFY26	Change
<b>Without 1/n</b>						
GWP	152.5	175.5	15.1	119.6	138.6	15.8
Retail health retention	98.4%	97.0%	-1.4%	94.0%	99.0%	5.0%
Expense ratio	30.2%	29.9%	-0.3%	30.6%	31.1%	0.5%
Combined ratio	96.7%	100.2%	3.5%	101.3%	100.9%	-0.4%
<b>IGAAP</b>						
GWP	152.5	167.8	10.0	116.4	126.5	8.7
Expense ratio	30.2%	30.8%	0.6%	31.2%	32.8%	1.6%
Combined ratio	96.7%	101.1%	4.4%	101.8%	102.7%	0.9%
<b>IFRS</b>						
Loss ratio	66.5%	70.7%	4.2%	71.2%	70.0%	-1.2%
Expense ratio	30.7%	30.4%	-0.3%	30.8%	29.8%	-1.0%
Combined ratio	97.2%	101.1%	3.9%	102.1%	99.8%	-2.3%
Underwriting P/L	3.5	-1.7		-2.3	0.2	
Investment income	11.7	12.6	7.6	9.5	13.2	38.9
Investment yield (annualised)	8.3%	7.7%	-0.6%	7.9%	9.6%	1.7%
PAT	11.0	7.9	-28.6	5.2	9.7	87.2
RoE (non-annualised)	15.2%	9.5%	-5.7%	6.4%	10.6%	4.2%

Source: MOFSL, Company

## IFRS P&amp;L

INRm	FY24	FY25	FY26E	FY27E	FY28E
<b>Insurance revenue</b>	<b>1,36,630</b>	<b>1,59,430</b>	<b>1,79,720</b>	<b>2,08,475</b>	<b>2,41,831</b>
% YoY growth	16.7	12.7	16.0	16.0	16.0
Insurance Service Expense	90,870	1,11,340	1,24,148	1,43,848	1,66,380
Deferred acquisition cost	32,160	37,370	42,159	48,904	56,729
Net expenses from reinsurance	1,080	1,590	1,444	1,676	1,944
<b>Insurance service result</b>	<b>12,520</b>	<b>9,130</b>	<b>11,968</b>	<b>14,047</b>	<b>16,779</b>
Investment income	11,730	12,620	16,648	16,695	18,316
Other operating expenses	9,260	10,800	10,631	11,255	13,158
Finance costs	190	410	961	1,057	1,163
PBT	14,800	10,540	17,024	18,430	20,774
Tax	3,760	2,670	4,297	4,608	5,194
<b>PAT</b>	<b>11,040</b>	<b>7,870</b>	<b>12,727</b>	<b>13,823</b>	<b>15,581</b>
EPS	18.9	13.4	21.6	23.5	26.5

Source: MOFSL, Company



## Key takeaways from the management commentary

## Industry

- Life covered under retail health grew 7.7% YoY in FY25, crossing 60m lives.
- GST exemption has emerged as a structural catalyst, with retail health insurance growing 33.6%, nearly 3x the overall non-life growth.
- Medical inflation remains elevated, with studies pegging it at 12–13% unless moderated by government interventions.

## Performance

- Investment book quality remains healthy, with 18.7% of the book in high-yielding assets and investment yield at 7.71%, which the company aims to improve further.
- Persistency remained strong at 99.2% renewal retention in 9MFY26.
- Digital adoption continues to deepen with 94% of policies sourced digitally, 73% of claims processed digitally, 13m app downloads and 1.5m MAUs.
- NEP growth has been impacted by recalibration in the group health and is expected to improve going forward.

- Long-term business has increased in line with customer preference, with commissions on such products aligned to business outcomes.
- Hospital price negotiations are underway with multiple bodies, including AHPI, with gradual acceptance visible alongside broader efforts by the GI Council.
- The company continues to target mid-teen RoE, with long-term business already delivering at these levels.
- The investment mix comprises 22% Central Government securities, 33% CG+SG securities, 14.9% equity exposure, 4.7% in REITs/AIFs/InvITs, and balance in corporate bonds.
- Equity exposure may be increased selectively, subject to solvency and risk capacity.
- Last annual price hike was taken in 4QFY25, and the next annual price hike of around ~10% has been planned, depending on the product portfolio.

#### **Retail health**

- Retail health remains the core franchise, contributing 95% of business, with a 31.3% market share in 9MFY26.
- In 3QFY26, fresh business grew 45% YoY, while renewals increased 17% YoY.
- Retail loss ratio improved marginally to 69.4% in 9MFY26 from 69.6% in 9MFY25, reflecting pricing actions and corrective underwriting strategies, with renewal book also showing benefits from recent price changes.
- Cashless claims account for 85% of the book.

#### **Group health**

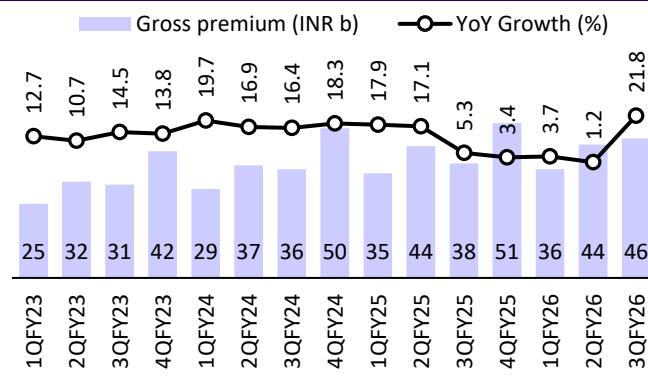
- Group health continues to be SME-led, with over 70% of business coming from SMEs.
- Group loss ratio improved meaningfully in 9MFY26, aided by portfolio recalibration and tighter risk selection.

#### **Distribution**

- Agency remains the dominant channel, contributing 83% of business.
- Fresh business through agency grew 35% YoY in 9MFY26, with 60% of fresh business originating from semi-urban and rural markets.
- The total agent count has crossed 800,000.
- Digital channel contributed 20% of fresh business in 9MFY26, with 46% YoY growth.
- Banca footprint is expanding with six new partners added, while corrective actions on certain partnerships are underway and expected to improve profitability over time.

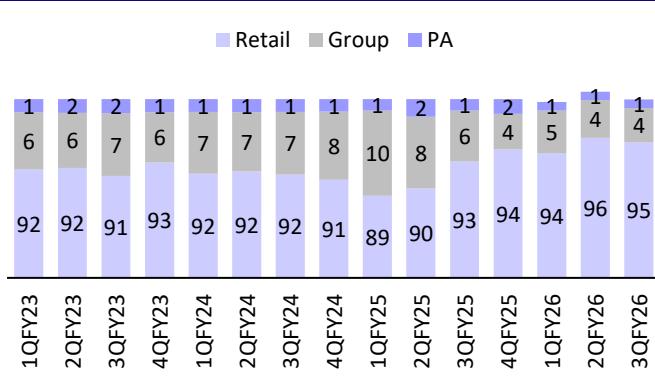
## Key exhibits

### Exhibit 1: Trends in gross premium



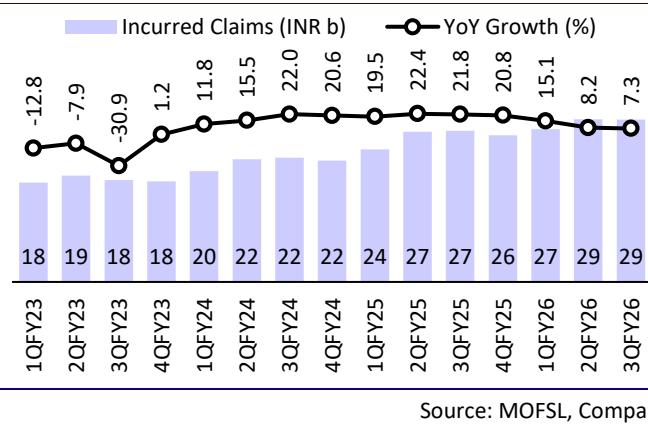
Source: MOFSL, Company

### Exhibit 2: Share of retail health stood at 95%



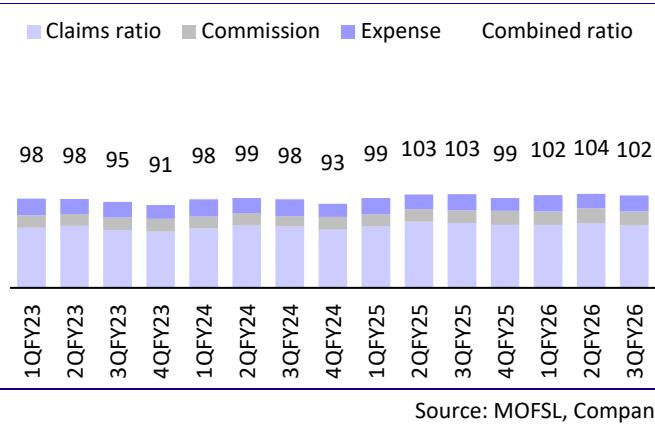
Source: MOFSL, Company

### Exhibit 3: Incurred claims of INR29b in 3QFY26



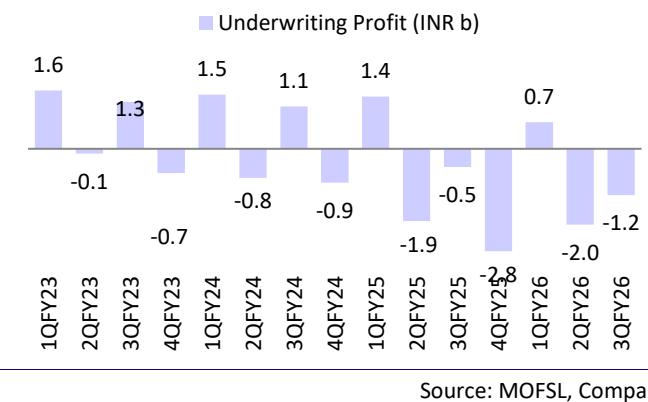
Source: MOFSL, Company

### Exhibit 4: Combined ratio improved YoY



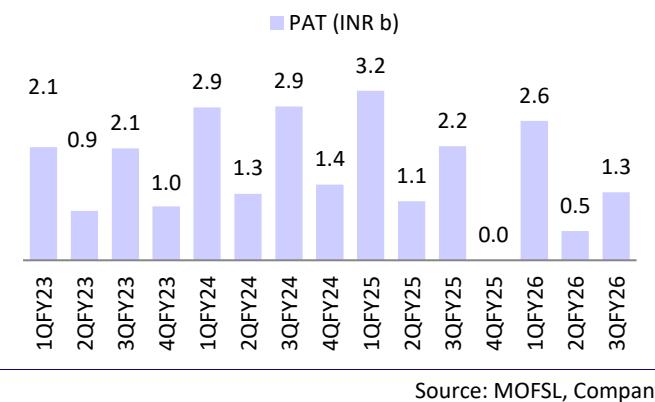
Source: MOFSL, Company

### Exhibit 5: Underwriting loss at INR1.2b in 3QFY26



Source: MOFSL, Company

### Exhibit 6: Trend in PAT



Source: MOFSL, Company

## Financials and valuations

Income Statement										(INR m)
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	
Retail Health	58,252	82,075	1,00,870	1,19,475	1,39,512	1,54,130	1,77,250	2,05,609	2,36,451	
Group Health	8,897	9,963	12,066	8,076	10,824	11,038	7,506	8,406	9,247	
PA	1,337	1,489	1,685	1,939	2,117	1,897	1,897	2,182	2,444	
<b>Total GDPI</b>	<b>68,651</b>	<b>93,885</b>	<b>1,14,635</b>	<b>1,29,525</b>	<b>1,52,545</b>	<b>1,67,814</b>	<b>1,86,652</b>	<b>2,16,198</b>	<b>2,48,142</b>	
Change (%)	27.1	36.8	22.1	13.0	17.8	10.0	11.2	15.8	14.8	
NWP	52,395	71,794	1,08,096	1,23,197	1,40,674	1,55,252	1,77,133	2,05,172	2,35,486	
<b>NEP</b>	<b>46,841</b>	<b>46,266</b>	<b>98,092</b>	<b>1,12,616</b>	<b>1,29,383</b>	<b>1,48,222</b>	<b>1,65,974</b>	<b>1,92,861</b>	<b>2,21,357</b>	
Change (%)	27.9	-1.2	112.0	14.8	14.9	14.6	12.0	16.2	14.8	
Net claims	30,874	43,695	85,400	73,204	85,940	1,04,194	1,14,854	1,33,074	1,52,736	
Net commission	3,404	5,857	14,922	16,828	18,596	22,407	27,810	32,212	36,971	
Expenses	11,013	14,031	18,443	20,538	23,944	25,406	27,687	29,690	32,408	
Employee expenses	8,526	11,765	13,436	14,537	16,122	16,929	17,944	19,021	20,162	
Other expenses	2,487	2,266	5,007	6,001	7,823	8,477	9,742	10,669	12,245	
<b>Underwriting Profit/(Loss)</b>	<b>1,550</b>	<b>-17,316</b>	<b>-20,673</b>	<b>2,046</b>	<b>903</b>	<b>-3,785</b>	<b>-4,377</b>	<b>-2,115</b>	<b>-758</b>	
Investment income (PH)	1,639	2,505	4,796	5,014	6,407	7,718	7,636	9,598	11,397	
Operating profit	3,303	-14,811	-15,877	7,061	7,309	3,933	3,259	7,483	10,639	
Investment income (SH)	1,212	1,718	3,214	3,287	4,089	5,135	4,816	5,303	5,707	
<b>PBT</b>	<b>4,062</b>	<b>-14,458</b>	<b>-14,024</b>	<b>8,264</b>	<b>11,289</b>	<b>8,611</b>	<b>7,416</b>	<b>12,028</b>	<b>15,474</b>	
Tax	1,389	-3,601	-3,559	2,078	2,838	2,152	1,854	3,007	3,868	
Tax rate (%)	34.2	24.9	25.4	25.1	25.1	25.0	25.0	25.0	25.0	
<b>PAT</b>	<b>2,633</b>	<b>-10,857</b>	<b>-10,464</b>	<b>6,186</b>	<b>8,450</b>	<b>6,459</b>	<b>5,562</b>	<b>9,021</b>	<b>11,605</b>	
Balance sheet										(INR m)
Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E	
Equity Share Capital	4,906	5,481	5,755	5,817	5,853	5,878	5,878	5,878	5,878	
Reserves & Surplus	14,132	29,516	40,285	59,839	60,429	64,359	69,920	78,941	90,547	
<b>Net Worth</b>	<b>19,038</b>	<b>34,996</b>	<b>46,040</b>	<b>65,656</b>	<b>66,282</b>	<b>70,236</b>	<b>75,798</b>	<b>84,819</b>	<b>96,425</b>	
FV change	31	-76	267	234	1,036	885	974	1,071	1,178	
Borrowings	2,500	2,500	7,200	4,700	4,700	4,700	4,700	4,700	4,700	
Other liabilities	38,361	67,589	81,629	92,988	1,08,525	1,32,025	1,35,571	1,48,876	1,68,116	
<b>Total Liabilities</b>	<b>59,930</b>	<b>1,05,010</b>	<b>1,35,136</b>	<b>1,63,577</b>	<b>1,80,543</b>	<b>2,07,846</b>	<b>2,17,043</b>	<b>2,39,466</b>	<b>2,70,418</b>	
Investments (SH)	18,110	27,941	44,939	53,459	63,361	71,857	75,256	80,354	86,471	
Investments (PH)	24,789	40,426	68,796	80,462	91,548	1,07,126	1,15,695	1,37,115	1,62,820	
Net Fixed Assets	1,019	990	1,171	1,113	1,751	1,849	1,899	1,949	1,999	
Def Tax Assets	70	4,213	7,767	5,689	3,582	3,512	3,512	3,512	3,512	
Current Assets	9,827	12,650	6,828	8,444	12,990	16,817	18,705	21,665	24,867	
Cash & Bank	6,114	18,790	5,635	14,410	7,312	6,684	1,976	-5,130	-9,251	
<b>Total Assets</b>	<b>59,930</b>	<b>1,05,010</b>	<b>1,35,136</b>	<b>1,63,577</b>	<b>1,80,543</b>	<b>2,07,846</b>	<b>2,17,043</b>	<b>2,39,466</b>	<b>2,70,418</b>	

E: MOFSL Estimates

## Financials and valuations

### Ratios

Y/E March	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
GWP growth	27.1	36.8	22.1	13.0	17.8	10.0	11.2	15.8	14.8
NWP growth	26.9	37.0	50.6	14.0	14.2	10.4	14.1	15.8	14.8
<b>NEP growth</b>	<b>27.9</b>	<b>-1.2</b>	<b>112.0</b>	<b>14.8</b>	<b>14.9</b>	<b>14.6</b>	<b>12.0</b>	<b>16.2</b>	<b>14.8</b>
Claim ratio	65.9	94.4	87.1	65.0	66.4	70.3	69.2	69.0	69.0
Commission ratio	6.5	8.2	13.8	13.7	13.2	14.4	15.7	15.7	15.7
Expense ratio	21.0	19.5	17.1	16.7	17.0	16.4	15.6	14.5	13.8
<b>Combined ratio</b>	<b>93.4</b>	<b>122.1</b>	<b>117.9</b>	<b>95.3</b>	<b>96.7</b>	<b>101.1</b>	<b>100.5</b>	<b>99.2</b>	<b>98.5</b>

### Profitability Ratios (%)

RoE	16.8	-40.2	-25.8	11.1	12.8	9.5	7.6	11.2	12.8
-----	------	-------	-------	------	------	-----	-----	------	------

### Valuations

	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
BVPS (INR)	38.8	63.9	80.0	112.9	113.2	119.5	129.0	144.3	164.0
Change (%)	43.9	64.6	25.3	41.1	0.3	5.5	7.9	11.9	13.7
<b>Price-BV (x)</b>	<b>11.6</b>	<b>7.0</b>	<b>5.6</b>	<b>4.0</b>	<b>4.0</b>	<b>3.8</b>	<b>3.5</b>	<b>3.1</b>	<b>2.7</b>
EPS (INR)	5.4	-19.8	-18.2	10.6	14.4	11.0	9.5	15.3	19.7
Change (%)	15.8	-469.1	-8.2	-158.5	35.8	-23.9	-13.9	62.2	28.6
<b>Price-Earnings (x)</b>	<b>83.9</b>	<b>-22.7</b>	<b>-24.7</b>	<b>42.3</b>	<b>31.2</b>	<b>41.0</b>	<b>47.6</b>	<b>29.3</b>	<b>22.8</b>
<b>Market Cap/GDPI (x)</b>	<b>3.9</b>	<b>2.8</b>	<b>2.3</b>	<b>2.0</b>	<b>1.7</b>	<b>1.6</b>	<b>1.4</b>	<b>1.2</b>	<b>1.1</b>

E: MOFSL Estimates

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Explanation of Investment Rating	
Investment Rating	Expected return (over 12-month)
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

\*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

#### Disclosures

The following Disclosures are being made in compliance with the SEBI Research Analyst Regulations 2014 (herein after referred to as the Regulations). Motilal Oswal Financial Services Ltd. (MOFSL) is a SEBI Registered Research Analyst having registration no. INH000000412 and BSE enlistment no. 5028. MOFSL, the Research Entity (RE) as defined in the Regulations, is engaged in the business of providing Stock broking services, Depository participant services & distribution of various financial products. MOFSL is a listed public company, the details in respect of which are available on [www.motilaloswal.com](http://www.motilaloswal.com). MOFSL is registered with the Securities & Exchange Board of India (SEBI) and is a registered Trading Member with National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Limited (BSE), Multi Commodity Exchange of India Limited (MCX) and National Commodity & Derivatives Exchange Limited (NCDEX) for its stock broking activities & is a Depository participant with Central Depository Services Limited (CDSL) National Securities Depository Limited (NSDL), NERL, COMRIS and CCRL and is member of Association of Mutual Funds of India (AMFI) for distribution of financial products and Insurance Regulatory & Development Authority of India (IRDA) as Corporate Agent for insurance products and is a member of Association of Portfolio Managers in India (APMI) for distribution of PMS products. Details of associate entities of Motilal Oswal Financial Services Ltd. are available on the website at <http://onlinereports.motilaloswal.com/Dormant/documents/Associate%20Details.pdf>

MOFSL and its associate company(ies), their directors and Research Analyst and their relatives may; (a) from time to time, have a long or short position in, act as principal in, and buy or sell the securities or derivatives thereof of companies mentioned herein. (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.

MOFSL and / or its affiliates do and seek to do business including investment banking with companies covered in its research reports. As a result, the recipients of this report should be aware that MOFSL may have a potential conflict of interest that may affect the objectivity of this report. Compensation of Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. Details of pending Enquiry Proceedings of Motilal Oswal Financial Services Limited are available on the website at <https://galaxy.motilaloswal.com/ResearchAnalyst/PublishViewLitigation.aspx>. As per Regulatory requirements, Research Audit Report is uploaded on [www.motilaloswal.com](http://www.motilaloswal.com) > MOFSL-Important Links > MOFSL Research Analyst Compliance Audit Report.

A graph of daily closing prices of securities is available at [www.nseindia.com](http://www.nseindia.com), [www.bseindia.com](http://www.bseindia.com). Research Analyst views on Subject Company may vary based on Fundamental research and Technical Research. Proprietary trading desk of MOFSL or its associates maintains arm's length distance with Research Team as all the activities are segregated from MOFSL research activity and therefore it can have an independent view with regards to Subject Company for which Research Team have expressed their views.

#### Regional Disclosures (outside India)

This report is not directed or intended for distribution to or use by any person or entity resident in a state, country or any jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL & its group companies to registration or licensing requirements within such jurisdictions.

#### For Hong Kong:

This report is distributed in Hong Kong by Motilal Oswal capital Markets (Hong Kong) Private Limited, a licensed corporation (CE AYY-301) licensed and regulated by the Hong Kong Securities and Futures Commission (SFC) pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) "SFO". As per SEBI (Research Analyst Regulations) 2014 Motilal Oswal Securities (SEBI Reg. No. INH000000412) has an agreement with Motilal Oswal capital Markets (Hong Kong) Private Limited for distribution of research report in Hong Kong. This report is intended for distribution only to "Professional Investors" as defined in Part I of Schedule 1 to SFO. Any investment or investment activity to which this document relates is only available to professional investor and will be engaged only with professional investors." Nothing here is an offer or solicitation of these securities, products and services in any jurisdiction where their offer or sale is not qualified or exempt from registration. The Indian Analyst(s) who compile this report is/are not located in Hong Kong & are not conducting Research Analysis in Hong Kong.

#### For U.S.

Motilal Oswal Financial Services Limited (MOFSL) is not a registered broker - dealer under the U.S. Securities Exchange Act of 1934, as amended (the "1934 act") and under applicable state laws in the United States. In addition MOFSL is not a registered investment adviser under the U.S. Investment Advisers Act of 1940, as amended (the "Advisers Act" and together with the 1934 Act, the "Acts"), and under applicable state laws in the United States. Accordingly, in the absence of specific exemption under the Acts, any brokerage and investment services provided by MOFSL, including the products and services described herein are not available to or intended for U.S. persons. This report is intended for distribution only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the Exchange Act and interpretations thereof by SEC (henceforth referred to as "major institutional investors"). This document must not be acted on or relied on by persons who are not major institutional investors. Any investment or investment activity to which this document relates is only available to major institutional investors and will be engaged in only with major institutional investors. In reliance on the exemption from registration provided by Rule 15a-6 of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") and interpretations thereof by the U.S. Securities and Exchange Commission ("SEC") in order to conduct business with Institutional Investors based in the U.S., MOFSL has entered into a chaperoning agreement with a U.S. registered broker-dealer, Motilal Oswal Securities International Private Limited. ("MOSIPL"). Any business interaction pursuant to this report will have to be executed within the provisions of this chaperoning agreement.

The Research Analysts contributing to the report may not be registered/qualified as research analyst with FINRA. Such research analyst may not be associated persons of the U.S. registered broker-dealer, MOSIPL, and therefore, may not be subject to NASD rule 2711 and NYSE Rule 472 restrictions on communication with a subject company, public appearances and trading securities held by a research analyst account.

#### For Singapore

In Singapore, this report is being distributed by Motilal Oswal Capital Markets (Singapore) Pte. Ltd. ("MOCMSPL") (UEN 201129401Z), which is a holder of a capital markets services license and an exempt financial adviser in Singapore. This report is distributed solely to persons who (a) qualify as "institutional investors" as defined in section 4A(1)(c) of the Securities and Futures Act of Singapore ("SFA") or (b) are considered "accredited investors" as defined in section 2(1) of the Financial Advisers Regulations of Singapore read with section 4A(1)(a) of the SFA. Accordingly, if a recipient is neither an "institutional investor" nor an "accredited investor", they must immediately discontinue any use of this Report and inform MOCMSPL.

In respect of any matter arising from or in connection with the research you could contact the following representatives of MOCMSPL. In case of grievances for any of the services rendered by MOCMSPL write to grievances@motilaloswal.com.

Nainesh Rajani

Email: nainesh.rajani@motilaloswal.com

Contact: (+65) 8328 0276

#### Specific Disclosures

1. Research Analyst and/or his/her relatives do not have a financial interest in the subject company(ies), as they do not have equity holdings in the subject company(ies).  
MOFSL has financial interest in the subject company(ies) at the end of the week immediately preceding the date of publication of the Research Report: Yes.  
Nature of Financial interest is holding equity shares or derivatives of the subject company
2. Research Analyst and/or his/her relatives do not have actual/beneficial ownership of 1% or more securities in the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No  
MOFSL has actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of Research Report: No
3. Research Analyst and/or his/her relatives have not received compensation/other benefits from the subject company(ies) in the past 12 months.  
MOFSL may have received compensation from the subject company(ies) in the past 12 months.
4. Research Analyst and/or his/her relatives do not have material conflict of interest in the subject company at the time of publication of research report.  
MOFSL does not have material conflict of interest in the subject company at the time of publication of research report.
5. Research Analyst has not served as an officer, director or employee of subject company(ies).
6. MOFSL has not acted as a manager or co-manager of public offering of securities of the subject company in past 12 months.
7. MOFSL has not received compensation for investment banking /merchant banking/brokerage services from the subject company(ies) in the past 12 months.
8. MOFSL may have received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company(ies) in the past 12 months.
9. MOFSL may have received compensation or other benefits from the subject company(ies) or third party in connection with the research report.
10. MOFSL has not engaged in market making activity for the subject company.

The associates of MOFSL may have:

- financial interest in the subject company
- actual/beneficial ownership of 1% or more securities in the subject company at the end of the month immediately preceding the date of publication of the Research Report or date of the public appearance.
- received compensation/other benefits from the subject company in the past 12 months
- any other potential conflict of interests with respect to any recommendation and other related information and opinions.; however the same shall have no bearing whatsoever on the specific recommendations made by the analyst(s), as the recommendations made by the analyst(s) are completely independent of the views of the associates of MOFSL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report.
- acted as a manager or co-manager of public offering of securities of the subject company in past 12 months
- be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies)
- received compensation from the subject company in the past 12 months for investment banking / merchant banking / brokerage services or from other than said services.
- Served subject company as its clients during twelve months preceding the date of distribution of the research report.

The associates of MOFSL has not received any compensation or other benefits from third party in connection with the research report

Above disclosures include beneficial holdings lying in demat account of MOFSL which are opened for proprietary investments only. While calculating beneficial holdings, It does not consider demat accounts which are opened in name of MOFSL for other purposes (i.e holding client securities, collaterals, error trades etc.). MOFSL also earns DP income from clients which are not considered in above disclosures.

#### Analyst Certification

The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject securities or issues, and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report.

#### Terms & Conditions:

This report has been prepared by MOFSL and is meant for sole use by the recipient and not for circulation. The report and information contained herein is strictly confidential and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of MOFSL. The report is based on the facts, figures and information that are considered true, correct, reliable and accurate. The intent of this report is not recommendatory in nature. The information is obtained from publicly available media or other sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. The report is prepared solely for informational purpose and does not constitute an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments for the clients. Though disseminated to all the customers simultaneously, not all customers may receive this report at the same time. MOFSL will not treat recipients as customers by virtue of their receiving this report.

#### Disclaimer:

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent. This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient. Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options, another derivative products as well as non-investment grade securities - involve substantial risk and are not suitable for all investors. No representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document. The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alterations to this statement as may be required from time to time without any prior approval. MOFSL, its associates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document. This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of MOFSL. The views expressed are those of the analyst, and the Company may or may not subscribe to all the views expressed therein. This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject MOFSL to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction. Neither the Firm, not its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information. The person accessing this information specifically agrees to exempt MOFSL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold MOFSL or any of its affiliates or employees responsible for any such misuse and further agrees to hold MOFSL or any of its affiliates or employees free and harmless from all losses, costs, damages, expenses that may be suffered by the person accessing this information due to any errors and delays.

This report is meant for the clients of Motilal Oswal only.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Registration granted by SEBI, enlistment as RA with Exchange and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors

Registered Office Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025; Tel No.: 022 - 71934200 / 71934263; www.motilaloswal.com. Correspondence Address: Palm Spring Centre, 2nd Floor, Palm Court Complex, New Link Road, Malad (West), Mumbai- 400 064. Tel No: 022 71881000. Details of Compliance Officer: Neeraj Agarwal, Email Id: na@motilaloswal.com, Contact No.:022-40548085.

Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

Registration details of group entities.: Motilal Oswal Financial Services Ltd. (MOFSL): INZ000158836 (BSE/NSE/MCX/NCDEX); CDSL and NSDL: IN-DP-16-2015; Research Analyst: INH000000412, BSE enlistment no. 5028, AMFI registered Mutual Fund Distributor and SIF Distributor: ARN : 146822. IRDA Corporate Agent – CA0579, APMI: APRN00233. Motilal Oswal Financial Services Ltd. is a distributor of Mutual Funds, PMS, Fixed Deposit, Insurance, Bond, NCDs and IPO products.

Customer having any query/feedback/ clarification may write to query@motilaloswal.com. In case of grievances for any of the services rendered by Motilal Oswal Financial Services Limited (MOFSL) write to grievances@motilaloswal.com, for DP to dpgrivances@motilaloswal.com.