

IPO Note - Star Health and Allied Insurance Company Ltd



STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

Star Health and Allied Insurance Company Limited	
Symbol	STARHEALTH
Issue Period	30-Nov-2021 to 02-Dec-2021
Post issue Modification Period	03-Dec-2021 (10.00 A.M. to 11.00 A.M.)
Cut-off time for UPI Mandate Confirmation	03-Dec-2021 (upto 12:00 PM)
Issue Size	Initial Public offer of [...] Equity Shares comprising a Fresh Issue upto Rs. 20,000 million and an Offer for Sale of upto 58,324,225 equity shares
Issue Type	100% Book Building
Price Range	Rs. 870 to Rs. 900
Discount to Employee Reservation Category	Rs.80/- per Equity Share for Eligible Employees Category
Face Value	Rs.10
Tick Size	Re.1
Bid Lot	16 Equity Shares and in multiples thereof
Minimum Order Quantity	16 Equity Shares
Maximum Subscription Amount for Retail Investor	Rs. 2,00,000
Maximum Subscription Amount for Eligible Employee	Rs. 5,00,000
IPO Market Timings	10.00 a.m. to 5.00 p.m.
Book Running Lead Managers	Kotak Mahindra Capital Company Limited, Axis Capital Limited, BofA Securities India Limited, Citigroup Global Markets India Private Limited, ICICI Securities Limited, CLSA India Private Limited, Credit Suisse Securities (India) Private Limited, Jefferies India Private Limited, Ambit Private Limited, DAM Capital Advisors Limited, IIFL Securities Limited and SBI Capital Markets Limited
Sponsor Bank	Axis Bank Limited
Categories	FI, IC, MF, FII, OTH, CO, IND, NOH and EMP
Name of the Registrar	KFin Technologies Private Limited

Source – nseindia.com

BOOK RUNNING LEAD MANAGERS TO THE OFFER					REGISTRAR TO THE OFFER	
						
						

Source – RHP

Note : Please refer to the Red Herring Prospectus for details regarding the Offer, the Company and the risk factors

IPO Note - Star Health and Allied Insurance Company Ltd

Recommendation – Apply with Long Term Investment View

Star Health and Allied Insurance's initial public offering (IPO) will open for subscription on Tuesday, November 30 and the three day share sale will conclude on December 2. The price band for its public offering has been fixed at Rs.870-900 per share. The IPO will be a mix of a fresh issue of equity shares and an offer for sale (OFS) by existing shareholders of the company. Star Health and Allied Insurance Company is owned by a consortium of investors including Safecrop Investments India LLP, WestBridge AIF I, and Rakesh Jhunjhunwala.

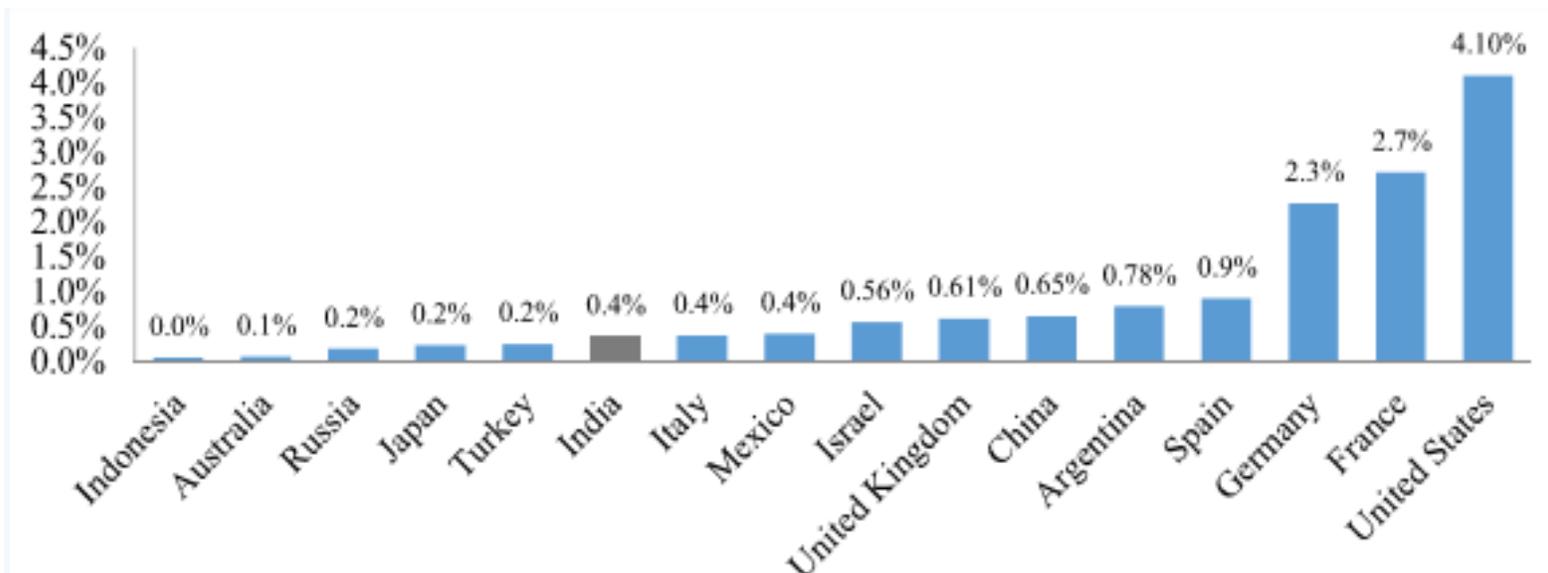
Incorporated in 2006, Star Health and Allied Insurance Company Ltd is one of the largest private health insurers in India with a market share of 15.8% in Fiscal 2021. The company primarily focuses on the retail health and group health segments which accounted for 89.3% and 10.7% of the company's total GWP in Fiscal 2021 respectively. The company mainly distributes policies through individual agents and also includes corporate agent banks and other corporate agents. As of Sep 31, 2021, its network distribution includes 779 health insurance branches across 25 states and 5 union territories in India. Star Health has also built one of the largest health insurance hospital networks in India with more than 11,778 hospitals.

In the previous financial year, the company posted a net loss of Rs 825 crore, against a net profit of Rs 268 crore in the year-ago period. During the July-September quarter, the company's net loss stood at Rs 380 crore, against a net profit of Rs 199 crore in the same period last year. The proposed IPO will make Star Health the fourth private sector insurance provider to list on Indian stock exchanges, following HDFC Life Insurance Co. Ltd, ICICI Prudential Life Insurance and ICICI Lombard General Insurance.

Star Health and Allied Insurance is one of the largest private health insurance companies in India with leadership in the attractive retail health segment. It has largest network distribution in the health insurance industry and diversified product suite with a focus on innovation and specialized products. The Company has strong risk management with superior claims ratio and quality customer services. In view of all these competitive strengths; investors may consider applying to this IPO with a long term investment view.

Source – RHP

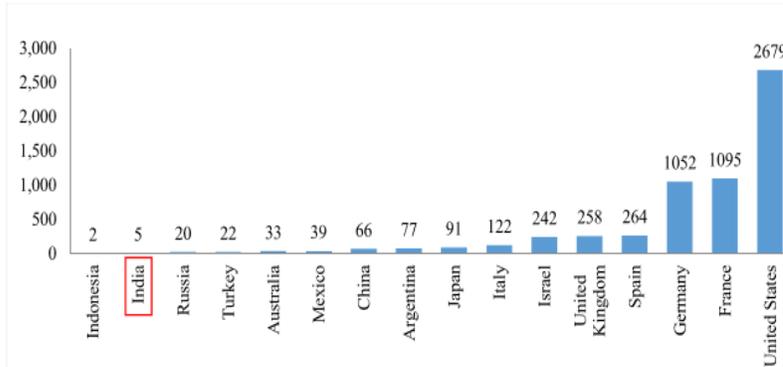
Health insurance penetration in 2019 (Gross direct premium as % of Nominal GDP)



Source – RHP

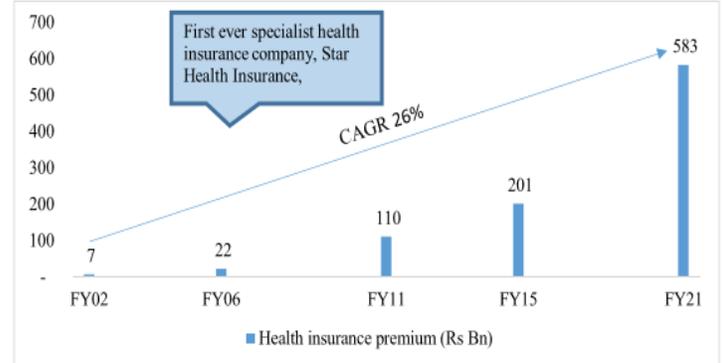
IPO Note - Star Health and Allied Insurance Company Ltd

Health insurance density in 2019 - Premium per person (total population)



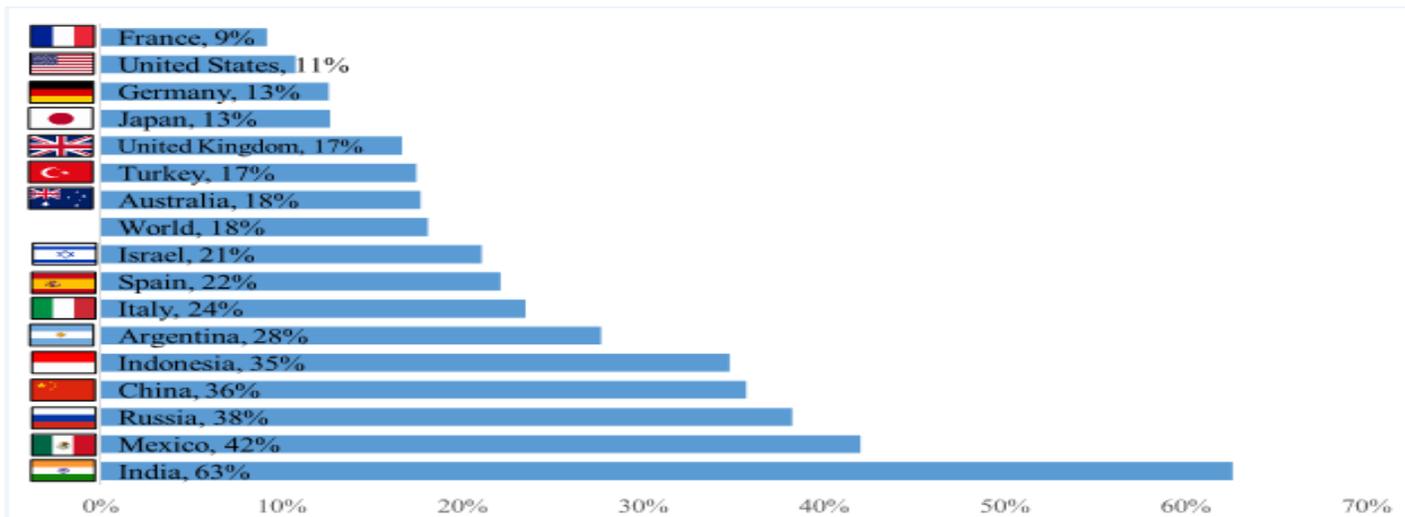
Source – RHP

Health insurance premium has increased 86 times from Fiscal 2002 to Fiscal 2021



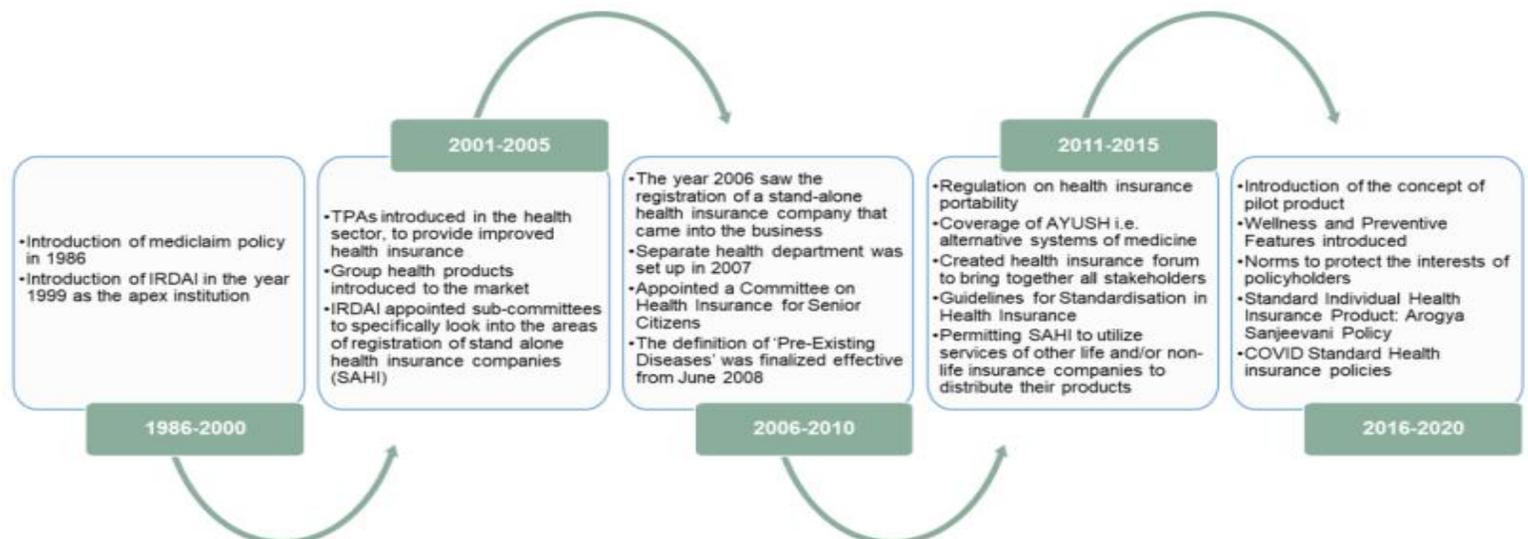
Source – RHP

The following graph sets forth the out-of-pocket expenditure on healthcare as a percentage of total healthcare expenditure in 2018 for India and various other countries:



Source – RHP

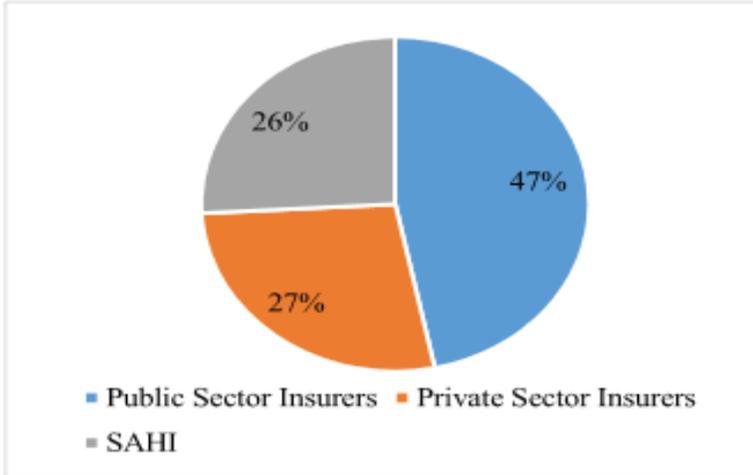
Key regulatory changes in health insurance industry



Source – RHP

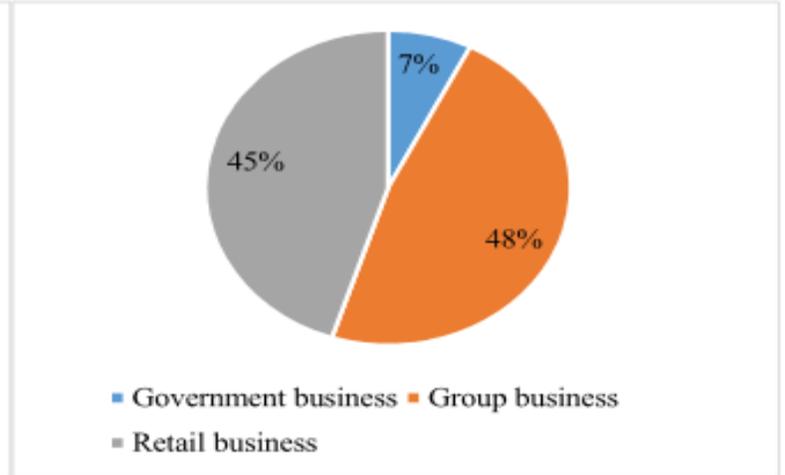
IPO Note - Star Health and Allied Insurance Company Ltd

Share of different types of companies in health insurance in Fiscal 2021



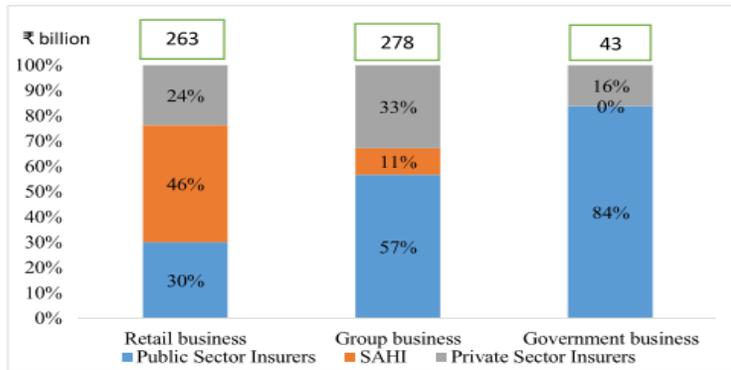
Source – RHP

Share of different segments in health insurance in Fiscal 2021



Source – RHP

SAHI companies accounts for 46% market share in retail Business as of Fiscal 2021



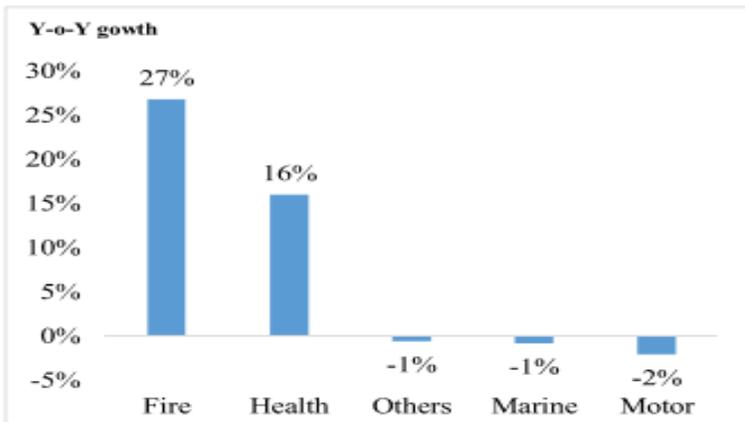
Source – RHP

Projected growth in gross direct premium over next five years (₹ billion)

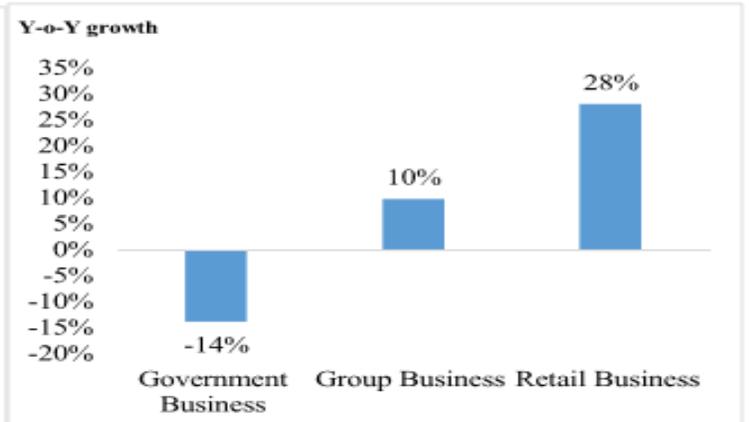


Source – RHP

Health insurance gross direct premium witnessed strong growth in Fiscal 2021.... ...supported by strong growth from Retail Business segment



Source – RHP



IPO Note - Star Health and Allied Insurance Company Ltd

In Fiscal 2021 and the six months ended September 30, 2021, Star Health and Allied Insurance had total GWP of Rs.93,489.50 million and Rs.50,697.82 million, respectively. From being the first standalone health insurance ("SAHI") company established in India in 2006, Star Health and Allied Insurance have grown into the largest SAHI company in the overall health insurance market in India, according to CRISIL Research. Star Health and Allied Insurance's comprehensive health insurance product suite insured 20.5 million lives in Fiscal 2021 in retail health and group health, which accounted for 89.3% and 10.7%, respectively, of their total health GWP in Fiscal 2021.

Star Health and Allied Insurance is strategically focused on the retail health market segment and had retail health GWP of Rs.82,150.90 million and Rs.43,399.18 million in Fiscal 2021 and the six months ended September 30, 2021, respectively. Star Health and Allied Insurance have been consistently ranked first in the retail health insurance market in India based on retail health GWP over the last three Fiscal Years, according to CRISIL Research. The retail health market segment is expected to emerge as a key growth driver for the overall health insurance industry in India after the COVID-19 crisis in India due to low penetration of health insurance, high out-of-pocket expenses for healthcare costs and since only 10% of the population has insurance policies outside of government plans, according to CRISIL Research. In Fiscal 2021, Star Health and Allied Insurance's retail health GWP was over three times the retail health GWP of the next highest retail health insurance market participant, according to CRISIL Research, positioning them well to continue to grow their business and market share.

The following tables sets our GWP for retail health, group health, government health and personal accident and overseas travel for the periods indicated:

(₹ in million, except percentages)

	Fiscal Year ended March 31,						Six month period ended September 30,			
	2019		2020		2021		2020		2021	
Retail health	46,791.10	86.4%	58,388.95	84.7%	82,150.90	87.9%	34,891.31	87.9%	43,399.18	85.6%
Group health	5,954.42	11.0%	8,921.29	12.9%	9,842.44	10.5%	4,205.43	10.6%	6,628.19	13.1%
Government health	-	-	44.68	0.1%	-	-	-	-	-	-
Personal accident	1,275.36	2.4%	1,427.52	2.1%	1,489.27	1.6%	568.78	1.4%	670.37	1.3%
Travel	132.70	0.2%	124.22	0.2%	6.89	0.01%	6.36	0.02%	0.07	0.0001%
Total GWP	54,153.58	100%	68,906.65	100%	93,489.50	100%	39,671.87	100%	50,697.82	100%

Source – RHP

The following table sets forth GWP and market share for the following categories of products in our retail health segment for the periods indicated.

Product Category	Retail Health GWP (₹ in millions)					
	Fiscal Year ended March 31,			CAGR (%)	Six month periods ended September 30,	
	2019	2020	2021	2019-2021	2020	2021
Family floater	31,395.74	38,728.30	49,708.08	25.8%	21,017.85	25,085.97
Individual	4,330.30	4,753.97	6,313.77	20.7%	2,852.12	3,064.61
Individual / Floater	6,622.36	9,665.04	16,926.79	59.9%	7,149.25	9,370.17
Specialised	4,442.71	5,241.64	9,202.26	43.9%	3,872.09	5,878.43
Total	46,791.10	58,388.95	82,150.90	32.5%	34,891.31	43,399.18

Source – RHP

The following table sets forth a breakdown of GWP for non-SMEs and SMEs in our group health segment based on the total group health GWP reported to the GI Council as derived from our audited financial statements for the periods indicated.

Product Category	Group Health GWP (₹ in millions)					
	Fiscal Year ended March 31,			CAGR (%)	Six month period ended September 30,	
	2019	2020	2021	2019-2021	2020	2021
Non-SMEs	4,089.66	5,814.44	5,993.43	21.1%	2,945.89	4,296.77
SMEs	1,853.67	3,133.83	3,983.47	46.6%	1,608.92	2,654.11
Total⁽¹⁾	5,943.33	8,948.27	9,976.89	29.6%	4,554.81	6,950.88

Source – RHP

IPO Note - Star Health and Allied Insurance Company Ltd

The following table shows the distribution mix of GWP for the periods indicated:

(₹ in million, except percentages)

Agency	Fiscal Year ended March 31,						Six month periods ended September 30,			
	2019		2020		2021		2020		2021	
Individual agents	41,941.59	77.4%	52,502.62	76.2%	73,780.70	78.9%	31,076.05	78.3%	39,013.10	77.0%
Corporate Agent Banks	801.28	1.5%	1,289.85	1.9%	2,209.19	2.4%	848.94	2.1%	1,415.38	2.8%
Corporate agents	184.31	0.3%	111.65	0.2%	190.96	0.2%	104.60	0.3%	317.96	0.6%
Total Agency	42,927.18	79.3%	53,904.11	78.2%	76,180.84	81.5%	32,029.60	80.7%	40,746.44	80.4%
Direct sales ⁽¹⁾	7,305.36	13.5%	6,993.45	10.1%	8,472.59	9.1%	3,699.65	9.3%	4,531.49	8.9%
Brokers	3,919.82	7.2%	6,901.56	10.0%	6,985.08	7.5%	3,086.26	7.8%	4,723.98	9.3%
Others ⁽²⁾	1.22	-	1,107.52	1.6%	1,850.98	2.0%	856.36	2.2%	695.91	1.4%
Total GWP	54,153.58	100%	68,906.65	100%	93,489.50	100%	39,671.87	100%	50,697.82	100%

Source – RHP

The following table sets forth the number of independent individual agents and individual agents that they have sponsored to become licensed for the periods indicated:

(in million, except percentages)

No. of individual agents	As of March 31,						As of September 30,	
	2019	%	2020	%	2021	%	2021	%
Independent individual agents	0.26	90.2%	0.32	89.0%	0.40	87.3%	0.44	86.0%
Sponsored individual agents	0.03	9.8%	0.04	11.0%	0.06	12.7%	0.07	14.0%
Total individual agents	0.29	100%	0.36	100%	0.46	100%	0.51	100%

Source – RHP

The following table sets forth the split between paid count of cashless health claims and reimbursement health claims for the periods indicated:

No. of paid health claims	Fiscal Year ended March 31,			Six month periods ended September 30,
	2019	2020	2021	2021
Cashless	0.48	0.66	0.59	0.40
Reimbursement	0.16	0.23	0.26	0.27
Total	0.64	0.89	0.85	0.67

Source – RHP

The following table sets forth the paid count of cashless health claims for agreed network hospitals and non-agreed network hospitals for the periods indicated:

(₹ in million)

No. of paid cashless health claims	Fiscal Year ended March 31,			Six months ended September 30,
	2019	2020	2021	2021
Agreed network hospitals	0.23	0.38	0.33	0.25
Non-agreed network hospitals	0.24	0.28	0.27	0.15
Total	0.47	0.66	0.60	0.40

Source – RHP

The following table sets forth a breakdown of their funds under management for the periods indicated:

(₹ in millions, unless otherwise indicated)

Particulars	Fiscal Year ended March 31,			Six months ended September 30,	
	2019	2020	2021	2020	2021
Total Investment Assets	31,729.70	43,878.91	71,165.76	59,822.78	88,125.59
Net Worth	12,156.93	16,286.81	34,846.44	18,279.68	31,994.14
Borrowings	2,500.00	2,500.00	2,500.00	2,500.00	6,500.00
Investment Leverage ⁽¹⁾	2.40	2.54	1.97	3.14	2.55

Source – RHP

IPO Note - Star Health and Allied Insurance Company Ltd

Their Company takes calibrated credit risk based on internal credit assessment supported by perspective of credit rating agencies. The following table sets forth the credit ratings of their assets under management, by carrying value, at the dates indicated:

(₹ in million, except percentages)

DOMESTIC RATING	Fiscal Year ended March 31,						Six months ended September 30,			
	2019	%	2020	%	2021	%	2020	%	2021	%
Sovereign	16,511.70	52.0%	16,680.20	38.0%	30,227.70	42.5%	21,195.52	35.4%	36,254.99	41.1%
AAA	12,426.14	39.2%	4,543.95	33.1%	23,654.97	33.2%	21,979.14	36.7%	26,197.79	29.7%
AA+	1,098.16	3.5%	1,096.75	2.5%	3,072.86	4.3%	1,500.83	2.5%	9,358.98	10.6%
AA	-	0.0%	6,526.77	14.9%	8,346.36	11.7%	7,857.16	13.1%	10,730.16	12.2%
A	-	0.0%	50.62	0.1%	50.47	0.1%	50.55	0.1%	50.39	0.1%
D	195.26	0.6%	-	0.0%	-	0.0%	-	0.0%	0.00	0.0%
Others	1,498.44	4.7%	4,980.62	11.4%	5,813.40	8.2%	7,239.57	12.1%	5,533.29	6.3%
Total Amount	31,729.70	100.0%	43,878.91	100.0%	71,165.76	100.0%	59,822.78	100.0%	88,125.59	100.0%

Source – RHP

The following table sets forth the investment income and return for periods indicated:

(₹ in million, except percentages)

Particulars	Fiscal Year ended March 31,			Six months ended September 30,	
	2019	2020	2021	2020	2021
Realized Investment Income	1,956.00	2,744.80	4,240.83	1,879.09	4,308.22
Realized Return (annualized)	7.5%	7.6%	7.1%	7.28%	9.78%
Total Portfolio Return (including unrealized gains)	6.8%	10.3%	10.2%	15.87%	12.60%
Assets Under Management	31,729.70	43,878.91	71,165.76	59,822.78	88,125.59

Source – RHP

The following table sets forth the split of fixed income portfolio (excluding sovereign bonds, mutual funds and fixed deposits) for the periods indicated by industry sector:

(₹ in million, except percentages)

Assets under management	Fiscal Year ended March 31,						Six months ended September 30,			
	2019	%	2020	%	2021	%	2020	%	2021	%
Sector										
Construction materials, cement and aggregates	-	-	-	-	499.99	1.4%	499.99	1.6%	499.99	1.1%
Extraction of crude petroleum and natural gas	200.89	1.5%	365.07	1.6%	363.30	1.0%	364.18	1.2%	-	-
Consumer Staples	-	-	-	-	-	-	-	-	850.00	1.8%
Water transport	-	-	189.90	0.9%	190.19	0.5%	190.04	0.6%	739.88	1.6%
Telecommunications	-	-	-	-	794.49	2.3%	555.33	1.8%	2,244.33	4.8%
Financial and insurance activities	1,055.94	7.7%	5,305.93	23.9%	7,053.45	20.1%	6,860.56	21.9%	15,316.40	33.1%
Housing sector	2,287.25	16.7%	2,239.56	10.1%	4,784.37	13.6%	3,741.59	11.9%	5,590.55	12.1%
Infrastructure	10,175.48	74.2%	14,117.64	63.5%	21,438.86	61.0%	19,175.98	61.1%	21,096.15	45.5%
Total	13,719.56	100%	22,218.09	100%	35,124.66	100%	31,387.68	100%	46,337.31	100%

Source – RHP

The following table sets forth the split of fixed income portfolio (excluding sovereign bonds, mutual funds and fixed deposits) for the periods indicated between the private and public sectors:

(₹ in million, except percentages)

Assets under management	Fiscal Year ended March 31,						Six months ended September 30,			
	2019	%	2020	%	2021	%	2020	%	2021	%
PSU-PVT										
Private sector	6,496.32	47.4%	11,207.35	50.4%	20,975.63	59.7%	19,444.76	62.0%	31,796.60	68.6%
Public sector	7,223.24	52.6%	11,010.74	49.6%	14,149.04	40.3%	11,942.92	38.0%	14,540.71	31.4%
Total	13,719.56	100%	22,218.09	100%	35,124.66	100%	31,387.68	100%	46,337.31	100%

Source – RHP

IPO Note - Star Health and Allied Insurance Company Ltd

The following table sets forth information on GWP generated in each state and region in India through their panIndia distribution network for the periods indicated:

(₹ in million, except percentages)

	GWP								
	Fiscal Year ended March 31,						CAGR (%)	Six month periods ended September 30,	
	2019		2020		2021			2021	
States									
North Region									
Chandigarh	166.96	0.3%	212.02	0.3%	306.96	0.3%	35.6%	162.55	0.3%
Delhi	3,158.10	5.8%	3,960.28	5.7%	5,494.12	5.9%	31.9%	3,412.71	6.7%
Haryana	2,887.16	5.3%	4,042.19	5.9%	5,499.24	5.9%	38.0%	2,907.71	5.7%
Himachal Pradesh	69.05	0.1%	82.71	0.1%	118.78	0.1%	31.2%	56.80	0.1%
Jammu & Kashmir	171.86	0.3%	220.31	0.3%	278.98	0.3%	27.4%	135.23	0.3%
Madhya Pradesh	1,893.72	3.5%	2,396.54	3.5%	3,316.48	3.5%	32.3%	1,642.52	3.2%
Punjab	1,136.75	2.1%	1,513.17	2.2%	2,154.98	2.3%	37.7%	1,210.52	2.4%
Rajasthan	1,399.03	2.6%	1,771.50	2.6%	2,430.36	2.6%	31.8%	1,090.84	2.2%
Uttar Pradesh	3,191.05	5.9%	4,090.93	5.9%	5,687.24	6.1%	33.5%	2,987.06	5.9%
Uttarakhand	668.43	1.2%	800.63	1.2%	1,018.00	1.1%	23.4%	513.54	1.0%
Total North Region	14,742.13	27.2%	19,090.28	27.7%	26,305.14	28.1%	33.6%	14,119.48	27.9%
East Region									
Andhra Pradesh	1,390.20	2.6%	1,760.89	2.6%	2,716.46	2.9%	39.8%	1,494.07	2.9%
Assam	157.61	0.3%	236.81	0.3%	390.07	0.4%	57.3%	230.61	0.5%
Bihar	231.62	0.4%	320.89	0.5%	462.19	0.5%	41.3%	237.16	0.5%
Chhattisgarh	286.87	0.5%	389.91	0.6%	600.04	0.6%	44.6%	286.56	0.6%
Jharkhand	440.84	0.8%	576.14	0.8%	826.87	0.9%	37.0%	433.30	0.9%
Meghalaya	1.37	0.0%	2.85	0.0%	5.20	0.0%	94.8%	2.28	0.0%
Odisha	716.58	1.3%	939.09	1.4%	1,331.58	1.4%	36.3%	684.36	1.3%
Tripura	5.27	0.0%	12.11	0.0%	25.82	0.0%	121.4%	15.59	0.0%
West Bengal	2,699.78	5.0%	3,479.35	5.0%	4,871.95	5.2%	34.3%	2,620.32	5.2%
Manipur	-	-	-	-	-	-	-	0.72	0.0%
Sikkim	-	-	-	-	-	-	-	3.55	0.0%
Total East Region	5,930.14	11.0%	7,718.02	11.2%	11,230.17	12.0%	37.6%	6,018.53	11.9%
South Region									
Karnataka	4,467.54	8.2%	5,429.77	7.9%	7,147.89	7.6%	26.5%	3,928.20	7.7%
Puducherry	158.28	0.3%	178.59	0.3%	228.77	0.2%	20.2%	97.28	0.2%
Tamil Nadu	8,264.46	15.3%	9,921.13	14.4%	12,413.68	13.3%	22.6%	6,540.89	12.9%
Telangana	2,828.50	5.2%	3,934.31	5.7%	5,948.76	6.4%	45.0%	3,440.76	6.8%
Total South Region	15,718.79	29.0%	19,463.79	28.2%	25,739.11	27.5%	28.0%	14,007.13	27.6%
West Region									
Goa	0.26	0.0%	90.56	0.1%	164.06	0.2%	2,420.4%	69.25	0.1%
Gujarat	1,236.85	2.3%	1,512.40	2.2%	2,304.05	2.5%	36.5%	1,352.63	2.7%
Kerala	4,778.28	8.8%	5,761.34	8.4%	7,208.82	7.7%	22.8%	3,553.97	7.0%
Maharashtra	11,747.14	21.7%	15,270.26	22.2%	20,538.15	22.0%	32.2%	11,576.82	22.8%
Total West Region	17,762.52	32.8%	22,634.56	32.8%	30,215.08	32.3%	30.4%	16,552.67	32.6%
TOTAL	54,153.58	100.0%	68,906.65	100.0%	93,489.50	100.0%	31.4%	50,697.82	100%

IPO Note - Star Health and Allied Insurance Company Ltd

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(₹ in million)

Particulars	As at September 30,		As at March 31,		
	2021	2020	2021	2020	2019
SOURCES OF FUNDS					
Share capital	5,532.90	4,906.38	5,480.87	4,906.38	4,555.76
Share application money ⁽¹⁾⁽²⁾	-	-	-	-	3,500.00
Employee stock option outstanding	7.43	-	2.93	-	-
Reserves and surplus	37,651.71	13,523.30	36,757.85	11,530.43	5,870.59
Fair value change account – shareholder	21.35	26.03	(29.23)	10.64	-
Fair value change account - policyholder	36.03	53.17	(46.70)	20.24	-
Borrowings	6,500.00	2,500.00	2,500.00	2,500.00	2,500.00
TOTAL	49,749.42	21,008.88	44,665.72	18,967.69	16,426.35
APPLICATION OF FUNDS					
Investments - shareholders	32,004.91	18,419.28	26,320.69	14,782.04	9,523.22
Investments - policyholders	54,030.38	37,628.20	42,046.17	28,117.46	20,777.78
Loans	-	-	-	-	-
Fixed assets	1,155.16	929.16	989.70	1,018.66	980.65
Deferred tax asset	5,492.00	743.16	4,213.15	1,467.25	1,420.00
CURRENT ASSETS					
Cash and bank balances	8,781.13	6,060.42	18,789.95	6,114.36	8,930.24
Advances and other assets	6,158.48	5,961.65	12,650.21	9,767.49	7,092.72
Sub-Total (A)	14,939.61	12,022.07	31,440.16	15,881.85	16,022.96
CURRENT LIABILITIES					
Provisions	15,669.75	15,631.35	15,642.97	11,793.55	9,023.26
	53,250.79	33,101.64	51,946.39	30,506.02	24,919.42
Sub-Total (B)	68,920.54	48,732.99	67,589.36	42,299.57	33,942.68
Net current assets (C) = (A - B)	(53,980.93)	(36,710.92)	(36,149.20)	(26,417.72)	(17,919.72)
Miscellaneous expenditure (to the extent not written off or adjusted)	-	-	-	-	-
Debit balance in profit and loss account	11,047.90	-	7,245.21	-	1,644.42
TOTAL	49,749.42	21,008.88	44,665.72	18,967.69	16,426.35

Source – RHP

RESTATED STATEMENT OF RECEIPTS AND PAYMENTS ACCOUNTS

(₹ in million)

Particulars	For the six month periods ended September 30,		For the financial year ended March 31,		
	2021	2020	2021	2020	2019
Premium received from policyholders, including advance receipts & payables to policy holders	60,090.91	48,638.78	111,215.34	79,791.46	64,101.07
Other receipts	67.32	18.97	-	-	-
Receipts/(Payments) from other entities carrying on insurance business (including reinsurers)	5,806.85	(1,825.55)	(8,598.87)	(4,750.12)	(4,355.22)
Payments of claims	(43,856.47)	(16,605.76)	(53,324.28)	(38,852.52)	(28,263.73)
Payments of commission and brokerage	(7,825.07)	(5,899.15)	(12,657.52)	(8,926.08)	(6,785.86)
Payments of other operating expenses	(8,184.84)	(6,356.56)	(14,441.54)	(11,083.01)	(9,990.29)
GST (Net off GST-ITC)	(6,779.18)	(5,561.93)	(12,249.76)	(8,630.03)	(6,246.74)
Income Tax	(78.16)	(555.72)	(912.50)	(967.90)	(582.69)
Deposits, advances and staff loans	(63.12)	(21.59)	(127.09)	(107.59)	(112.47)
Cash flows from Operating Activities	(821.76)	11,831.49	8,903.78	6,474.21	7,764.07
Purchase of fixed assets	(349.83)	(208.69)	(460.86)	(337.24)	(385.45)
Proceeds from sale of fixed assets	1.54	0.14	0.15	1.37	78.13
Purchases of investments	(567,837.95)	(81,798.67)	(348,678.70)	(75,865.58)	(30,355.54)
Sales of investments	551,079.20	65,889.39	321,267.09	63,536.31	21,549.96
Rents/Interests/Dividends received	3,946.43	1,696.98	3,697.78	2,610.18	1,801.14
Expenses related to investments	(8.44)	(3.08)	(7.71)	(4.68)	(1.56)
Cash flows from Investment Activities	(13,169.05)	(14,423.93)	(24,182.25)	(10,059.64)	(7,313.32)
Proceeds from issuance of share capital	945.89	-	26,390.56	1,474.85	3,500.00
Proceeds from borrowing	4,000.00	-	-	-	-
Interest/dividends paid	(255.30)	(257.40)	(256.00)	(256.00)	(165.58)
Cash flows from Financing Activities	4,690.59	(257.40)	26,134.56	1,218.85	3,334.42
Movements during the year	(9,300.22)	(2,849.84)	10,856.09	(2,366.58)	3,785.17
Opening Balance	15,991.05	5,134.96	5,134.96	7,501.54	3,716.37
Closing Balance	6,690.83	2,285.12	15,991.05	5,134.96	7,501.54

Source – RHP

IPO Note - Star Health and Allied Insurance Company Ltd

RESTATED STATEMENT OF PROFIT AND LOSS ACCOUNT

(₹ in million)

Particulars	For the six month periods ended September 30,		For the financial year ended March 31,		
	2021	2020	2021	2020	2019
OPERATING PROFIT/(LOSS)					
(a) Fire Insurance	-	-	-	-	-
(b) Marine Insurance	-	-	-	-	-
(c) Miscellaneous Insurance	(6,616.57)	2,706.73	(10,712.12)	3,607.84	1,647.24
INCOME FROM INVESTMENTS					
(a) Interest, Dividend & Rent – (Gross)	1,090.73	615.18	1,618.21	989.06	611.63
(b) Profit on sale of investments	510.10	1.79	12.93	22.38	2.59
Less: Loss on sale of investments	-	-	-	-	-
OTHER INCOME					
(a) Interest on Income Tax Refund	67.32	-	-	-	-
(b) Others	1.62	19.35	3.22	0.33	1.08
TOTAL (A)	(4,946.80)	3,343.05	(9,077.76)	4,619.61	2,262.54
PROVISIONS (Other than taxation)					
(a) For diminution in the value of investments	-	-	-	-	-
(b) For doubtful debts	0.56	0.67	343.53	5.10	-
(c) Others	-	-	-	-	-
- Provision for Impairment of Investments	-	-	-	(39.98)	39.98
OTHER EXPENSES					
(a) Expenses other than those related to Insurance Business	-	-	-	-	-
(b) Investments written off	-	-	-	195.21	-
(c) Others	-	-	-	-	-
i) Key Management Personnel Remuneration	30.44	25.79	685.26	25.70	25.66
ii) Management expenses allocated	-	-	-	-	9.90
iii) Donation	11.25	0.30	0.60	0.60	28.10
iv) Interest on NCD	128.61	128.35	256.00	256.00	256.00
v) Remuneration To Non-Executive Directors - Profit Related Commission	-	1.90	1.92	5.00	5.00
vi) Late Fees	0.03	-	1.15	-	-
vii) CSR Expenses	4.58	18.79	56.21	34.08	28.45
viii) Consultancy fees	1.40	1.50	2.79	-	31.58
ix) Bad Debts Written Off	2.51	-	1.93	4.96	15.48
x) Loss/(Gain) on sale / Discard of Fixed Assets	0.16	0.04	32.35	(1.31)	(0.08)
TOTAL (B)	179.54	177.34	1,381.74	485.36	440.07
Profit/(Loss) Before Tax (A-B)	(5,126.34)	3,165.71	(10,459.50)	4,134.25	1,822.47
Provision for Taxation					
(a) Current Tax	-	510.00	624.01	995.35	575.54
Add: MAT Credit Utilized	-	-	-	480.36	255.54
Less: Reversal of MAT Credit relating to earlier years	-	-	-	(19.84)	-
Add: MAT Credit Entitlement	-	-	-	-	-
(b) Deferred Tax	(1,278.85)	724.09	(2,745.90)	(47.25)	(294.03)
(c) Tax relating to earlier years	(44.80)	(61.25)	(81.80)	5.93	3.16
Profit/(Loss) After Tax	(3,802.69)	1,992.87	(8,255.81)	2,680.02	1,282.26
APPROPRIATIONS					
(a) Interim dividends paid during the year	-	-	-	-	-
(b) Proposed final dividend	-	-	-	-	-
(c) Dividend distribution tax	-	-	-	-	-
(d) Transfer Contingency reserve for Unexpired Risk	-	-	-	-	-
(e) Debenture redemption reserve	-	-	-	(25.00)	(125.00)
Balance of profit/ (loss) brought forward from last year	(7,245.21)	1,010.60	1,010.60	(1,644.42)	(2,801.68)
Balance carried forward to Balance Sheet	(11,047.90)	3,003.47	(7,245.21)	1,010.60	(1,644.42)

Disclaimer & Disclosure

This report has been prepared by PROFITMART SECURITIES PRIVATE LIMITED (hereinafter referred to as PSPL) to provide information about the company(ies) and/or sector(s), if any, covered in the report and may be distributed by it and/or its affiliated company(ies). This report is for personal information of the selected recipient/s and does not constitute to be any investment, legal or taxation advice to you. This research report does not constitute an offer, invitation or inducement to invest in securities, stock(s) or other investments and PSPL is not soliciting any action based upon it. This report is not for public distribution and has been furnished to you solely for educational purpose and for your general information and should not be reproduced or redistributed to any other person in any form. This report does not constitute a personal recommendation or take into account the particular investment objectives, financial situations, or needs of individual clients. Before acting on any content or advice or recommendation in this report/material, investors should consider whether it is suitable for their particular circumstances and, if necessary, seek professional advice. The price and value of the investments referred to in this material and the income from them may go down as well as up, and investors may realize losses on any investments. Past performance is not a guide for future performance, future returns are not guaranteed and a loss of original capital may occur. We may have business relationships with some companies covered by our Research Department. Investors should assume that PSPL and/or its affiliates are seeking or will seek business from the company or companies that are the subject of this material/report and that the research professionals who were involved in preparing this material may educate investors on investments in such business. Author of this report, research professionals responsible for the preparation of this document may interact with trading desk personnel, sales personnel and other parties for the purpose of gathering, applying and interpreting information. Our research professionals are paid on the profitability of PSPL which may include earnings from broking and other business. PSPL generally prohibits its analysts, persons reporting to analysts, and members of their households from maintaining a financial interest in the securities or derivatives of any companies that the analysts cover. Additionally, PSPL generally prohibits its analysts and persons reporting to analysts from serving as an officer, director, or advisory board member of any companies that the analysts cover. Our salespeople, traders, and other professionals or affiliates may provide oral or written market commentary or trading strategies to our clients that reflect opinions that are contrary to the opinions expressed herein. In reviewing these materials, you should be aware that any or all of the foregoing among other things, may give rise to real or potential conflicts of interest. PSPL and its affiliated company(ies), their directors and employees 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 affiliates of PSPL even though there might exist an inherent conflict of interest in some of the stocks mentioned in the research report Reports based on technical and derivative analysis center on studying charts company's price movement, outstanding positions and trading volume, as opposed to focusing on a company's fundamentals and, as such, may not match with a report on a company's fundamental analysis. Unauthorized disclosure, use, dissemination or copying (either whole or partial) of this information, is prohibited. The person accessing this information specifically agrees to exempt PSPL or any of its affiliates or employees from, any and all responsibility/liability arising from such misuse and agrees not to hold PSPL or any of its affiliates or employees responsible for any such misuse and further agrees to hold PSPL 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. The information contained herein is based on publicly available data or other sources believed to be reliable. Any statements contained in this report attributed to a third party represent PSPL's interpretation of the data, information and/ or opinions provided by that third party either publicly or through a subscription service, and such use and interpretation have not been reviewed by the third party. This Report is not intended to be a complete statement or summary of the securities, markets or developments referred to in the document. While we would endeavor to update the information herein on reasonable basis, PSPL and/or its affiliates are under no obligation to update the information. Also there may be regulatory, compliance, or other reasons that may prevent PSPL and/or its affiliates from doing so. PSPL or any of its affiliates or employees shall not be in any way responsible and liable for any loss or damage that may arise to any person/entity from any inadvertent error in the information contained in this report. PSPL or any of its affiliates or employees do not provide, at any time, any express or implied warranty of any kind, regarding any matter pertaining to this report, including without limitation the implied warranties of merchantability, fitness for a particular purpose, and non-infringement. The recipients of this report should rely on their own investigations. This report is intended for distribution to clients/customers, employees and associates of PSPL. Recipients of this report should seek advice of their independent financial advisor prior to taking any investment decision based on this report or for any necessary explanation of its contents. PSPL and its associates may have managed or co-managed public offering of securities and/or may have received compensation for brokerage services, may have received any compensation for products or services other than brokerage services from the subject company in the past 12 months. PSPL and its associates, research person(s), author of this report have not received any compensation or other benefits from the subject company or third party in connection with this research report. Subject Company may have been a client of PSPL or its associates during twelve months preceding the date of distribution of the research report PSPL and/or its affiliates and/or employees may have interests/positions, financial or otherwise of over 1 % at the end of the month immediately preceding the date of publication of the research in the securities mentioned in this report. To enhance transparency, PSPL has incorporated a Disclosure of Interest Statement in this document. This should, however, not be treated as endorsement of the views expressed in the report.

Certification by Analyst(s), Author of this Report

The views expressed in this report accurately reflect the personal views of the analyst(s), author of this report about the subject securities or issues, and no part of the compensation of the research analyst(s), author of this report was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s), author of this report; in this report. The research analyst(s), author of this report, strategists, or research associates principally responsible for preparation of this report and/or for any other PSPL research report/material; receive compensation based upon various factors, including quality of research, investor client feedback, stock picking, competitive factors and firm revenues.

Disclosure of Interest Statement where there is interest in Stocks, Companies mentioned in this report.

Ownership of the stock(s), company(ies) that are mentioned in this report by Analyst(s), author of this report - **No**

Analyst(s), author of this report served as an officer, director or employee of Companies mentioned in this report – **No**

SEBI Registration Number – INH000005582 as per SEBI (Research Analysts) Regulations, 2014.