

Care Health Insurance Limited

Company Highlights

ISIN Number: INE119J01011

Face Value (INR) : 10

Authorised Share Capital: INR 1,000 Cr.

Paid Up Capital: INR 974.18 Cr.

Outstanding Shares : 97,41,84,460

Status : Unlisted

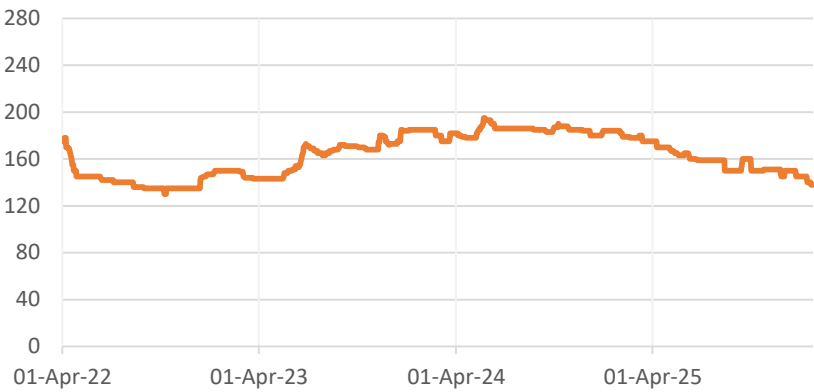
Industry: Health Insurance

Business Divisions: Retail health, corporate group insurance, Specialized Health Products, Government Schemes & Rural Focus and Wellness & Digital Services etc.

HQ: Gurugram , Haryana

CEO & Whole time Director: Anuj Gulati

Price Movement of Care Health Insurance Limited



Key Financial Metrics

Particulars	FY25	FY24	FY23
Total Income (in Cr.)	223.29	498.88	748.80
PBT (in Cr.)	208.20	410.06	327.98
PAT (in Cr.)	155.18	304.89	245.86
EPS (in ₹)	1.60	3.18	2.65
BVPS (in ₹)	23.93	22.32	18.56
Solvency Ratio	1.68	1.74	1.82
Combined Ratio (in %)	103%	95%	92%

Executive Summary

Care Health Insurance Limited (formerly Religare Health Insurance) is a leading **standalone health insurance company in India**, offering health insurance solutions across retail, group, and government segments. The Company's product portfolio includes comprehensive retail health plans, top-up covers, critical illness, personal accident, maternity, and travel insurance, supported by wellness and digital health services.

In FY2024-25, Care Health Insurance reported **Gross Written Premium of ₹8,561.99 crore**, reflecting continued business scale-up. However, profitability was impacted by elevated claims, medical inflation, and pricing pressure, resulting in a sharp contraction in underwriting margins. Despite this, the Company remained profitable, reporting **Profit After Tax of ₹155.18 crore**, supported by stable investment income.

The Company maintains a diversified distribution network and active participation in government health schemes, while continuing to focus on portfolio repricing, claims management, and technology-driven underwriting improvements. With adequate capitalisation and an experienced management team, Care Health Insurance remains well-positioned to benefit from the long-term growth of India's health insurance market, while near-term performance will depend on improvement in underwriting discipline and loss ratios. The Company has a pan-India multi-channel distribution network and continues to enhance its digital and analytics capabilities to improve underwriting and claims efficiency.

Shareholding Pattern as on 31st Mar 2025

Entity	%
Religare Enterprises Limited	75.91%
Trishikhar Ventures LLP & Swarnim Multiventures	9.30%
Other Investors	14.19%

Major Highlights – FY25 of IndusInd GIC Limited

Major Highlights

- ❖ **Strong premium growth momentum:** Care Health Insurance continued to scale its business during FY25, reflecting sustained demand in retail and group health segments supported by a diversified distribution network.
- ❖ **Underwriting profitability under pressure:** Elevated claims experience and medical inflation led to a sharp deterioration in underwriting margins, materially impacting operating profit during the year.
- ❖ **Accounting and regulatory impact on reported numbers:** FY25 financials were affected by changes in premium and commission recognition as per regulatory and actuarial guidance, resulting in lower reported income and profitability compared to FY24.
- ❖ **Profitability retained despite operating stress:** The Company remained profitable in FY25, aided by stable investment income and disciplined cost management, highlighting balance-sheet resilience amid challenging operating conditions.
- ❖ **Conservative investment and capital position:** Investments continued to be managed prudently in line with IRDAI regulations, with a strong focus on sovereign and highly rated instruments, supporting solvency and earnings stability.
- ❖ **Focus on efficiency and cost control:** Management initiatives around expense rationalisation and operational efficiency helped improve income utilisation, partially offsetting underwriting pressures.
- ❖ **Heightened regulatory and compliance scrutiny:** The Company has faced increased regulatory oversight and enforcement actions, elevating compliance, governance and reputational risks.
- ❖ **Ongoing investigations and legal proceedings:** Post FY25 developments include law-enforcement enquiries involving senior leadership, which may impact investor sentiment until resolved.
- ❖ **Public listings / valuation talk:** There is market commentary and company/parent group-level planning about future listing options and indicative valuations discussed in the press; this increases market attention and may influence capital/strategy decisions. Treat such items as strategic intent rather than firm commitments unless formally announced.
- ❖ **Operational & market context:** Industry-wide trends (medical inflation, higher AYUSH claims debates, increased ombudsman complaints) are heightening claims and persistency risks for health insurers; these macro factors amplify the company's underwriting sensitivity.
- ❖ **Strategic focus on margin recovery:** Management commentary and market disclosures indicate an increased focus on repricing, claims management and underwriting discipline to restore profitability going forward.

Financial Highlights

₹ (in crores)

Particulars	Financial Year					CAGR
	FY25	Y-o-Y Growth	FY24	Y-o-Y Growth	FY23	
Gross Written Premium	8,561.99	21.93%	7,021.93	34.07%	5,237.69	17.80%
Net Earned Premium	6,347.22	19.11%	5,328.68	35.52%	3,932.04	17.31%
Income from Investments	367.58	37.16%	268.00	49.64%	179.10	27.08%
Other Income	1.96	-	-	-	-	-
Total Income	223.29	-55.24%	498.88	-33.38%	748.80	-33.19%
Net Claims Incurred	4,095.89	33.23%	3,074.27	45.27%	2,116.18	24.62%
Operating Expenses of Insurance Business	1,222.49	3.55%	1,180.55	-10.75%	1,322.71	-2.59%
PBT	208.20	-49.23%	410.06	25.03%	327.96	-14.06%
PBT Margin	93.24%	13.44%	82.20%	87.67%	43.80%	28.64%
PAT	155.18	-49.10%	304.89	24.02%	245.84	-14.22%
PAT Margin	69.50%	13.72%	61.11%	86.15%	32.83%	28.40%
No. of Eq. Shares Outstanding	97,41,84,460	0.22%	97,20,43,704	3.16%	94,22,30,610	1.12%
Equity Share Capital	974.18	0.22%	972.04	3.16%	942.23	1.12%
Solvency Ratio	1.68	-3.45%	1.74	-4.40%	1.82	-2.63%
Combined Ratio	103.00%	8.42%	95.00%	3.26%	92.00%	3.84%
Total Net Worth	2,331.20	7.44%	2,169.82	24.05%	1,749.18	10.05%
Total Assets	9,020.89	26.82%	7,112.97	28.94%	5,516.40	17.81%

***GWP (Gross Written Premium):** Total premium written during the year before deductions for reinsurance.

****NEP (Net Earned Premium):** Portion of premium earned during the year after adjusting for unearned premium and reinsurance ceded.

*****Solvency Ratio:** Measures the company's financial strength; calculated as Available Solvency Margin ÷ Required Solvency Margin. Regulatory minimum in India is **1.50x**.

******Combined Ratio:** Key profitability indicator = (Net Claims Incurred + Operating Expenses of Insurance Business) ÷ Net Earned Premium. Measures underwriting performance. A ratio **above 100%** (as seen in FY25) indicates **underwriting losses**, meaning claims and expenses exceed earned premium, and profitability is supported largely by investment income.

Valuation Ratios

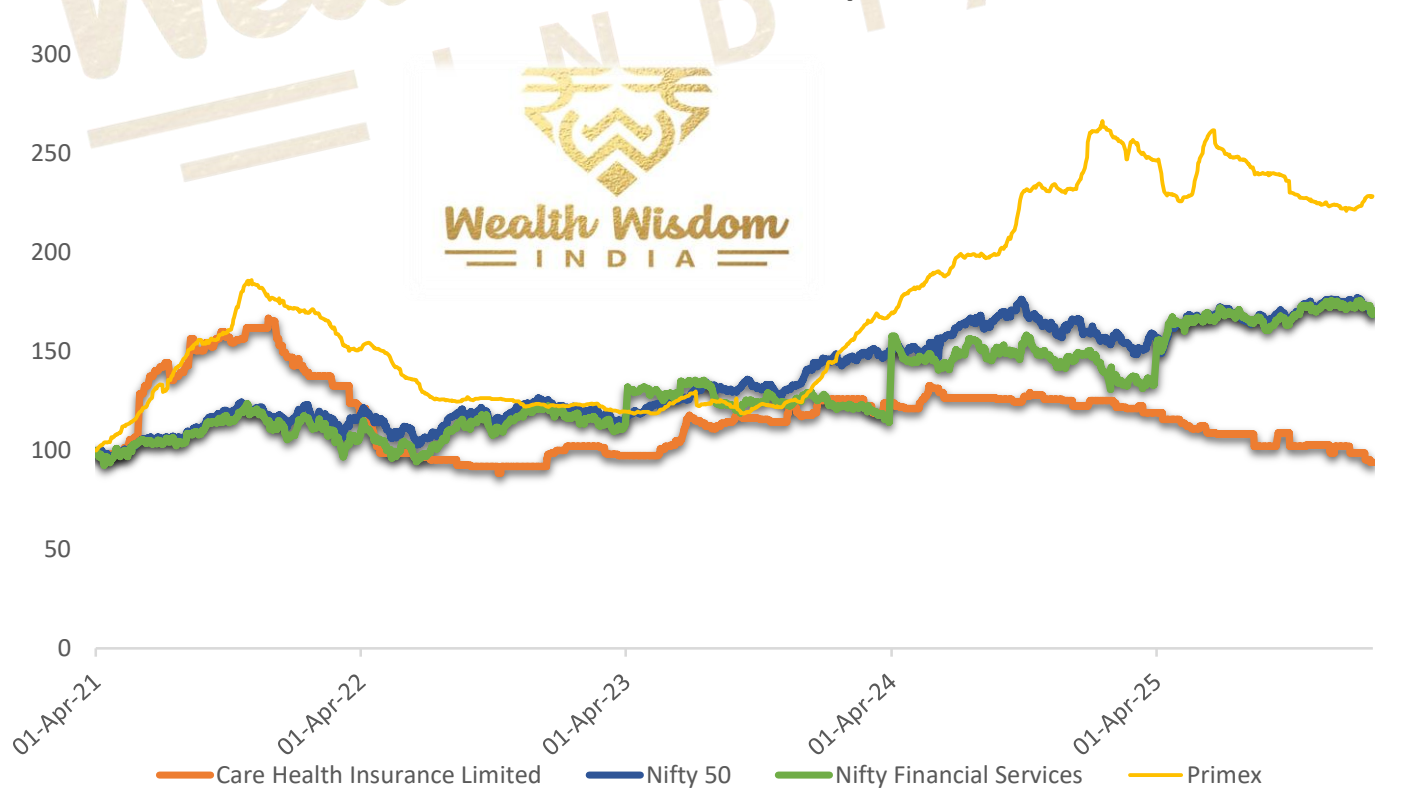
Particulars	FY25	FY24	FY23
BVPS (in ₹)	23.93	22.32	18.56
BV Growth (%)	7.20%	20.24%	30.83%
Price (in ₹)	138.00	182.00	143.00
Price Growth (%)	-24.18%	27.27%	-18.29%
Price -BV (x)	5.77	8.15	7.70
EPS (in ₹)	1.60	3.18	2.65
EPS Growth %	-49.69%	20.00%	1938.46%
Price- Earnings (x)	86.25	57.23	53.96
Dividend	-	-	-

***Note:** Since the Company is in the growing phase and requires funds for expansion, the Company has not proposed any dividend for the financial year 2024-25, 2023-24 and 2022-23

The table indicates continued **book value growth** over FY23–FY25, reflecting balance-sheet strength, while **FY25 witnessed a sharp decline in earnings**, leading to a **49.7% fall in EPS** and a **24.2% correction in share price**. Consequently, valuation multiples diverged, with **P/E rising sharply to 86.3x** due to depressed earnings, while **Price-to-Book moderated to 5.77x**, indicating market repricing despite net worth expansion. The absence of dividends is consistent with the company's capital retention strategy.

Price Movement

Relative Price movement pattern



Financials Metrics

Financial Metrics

Particulars	FY 25	FY 24	FY 23
Cash flow metrics (in ₹ cr.)			
Operating cash flow	1,376.97	1,048.47	1,029.29
Investing cash flow	-1,286.39	-1,167.95	-1,305.71
Financing cash flow	6.20	115.75	295.75
Net cash flow	96.78	-3.73	19.33
Growth ratios (in %)			
Total Income Growth	-55.24%	-33.38%	119.36%
Net profit growth	-49.10%	24.02%	2039.60%
EPS Growth	-49.69%	20.00%	1938.46%
Profitability Ratios (in %)			
EBIT Margin	99.62%	83.73%	43.80%
PAT margin	69.50%	61.11%	32.83%
Operating profit ratio	0.77%	6.68%	16.37%
Return ratios			
RoNW	6.66%	14.05%	14.05%
RoA	1.72%	4.29%	4.46%

Financial Metrics Summary – FY25

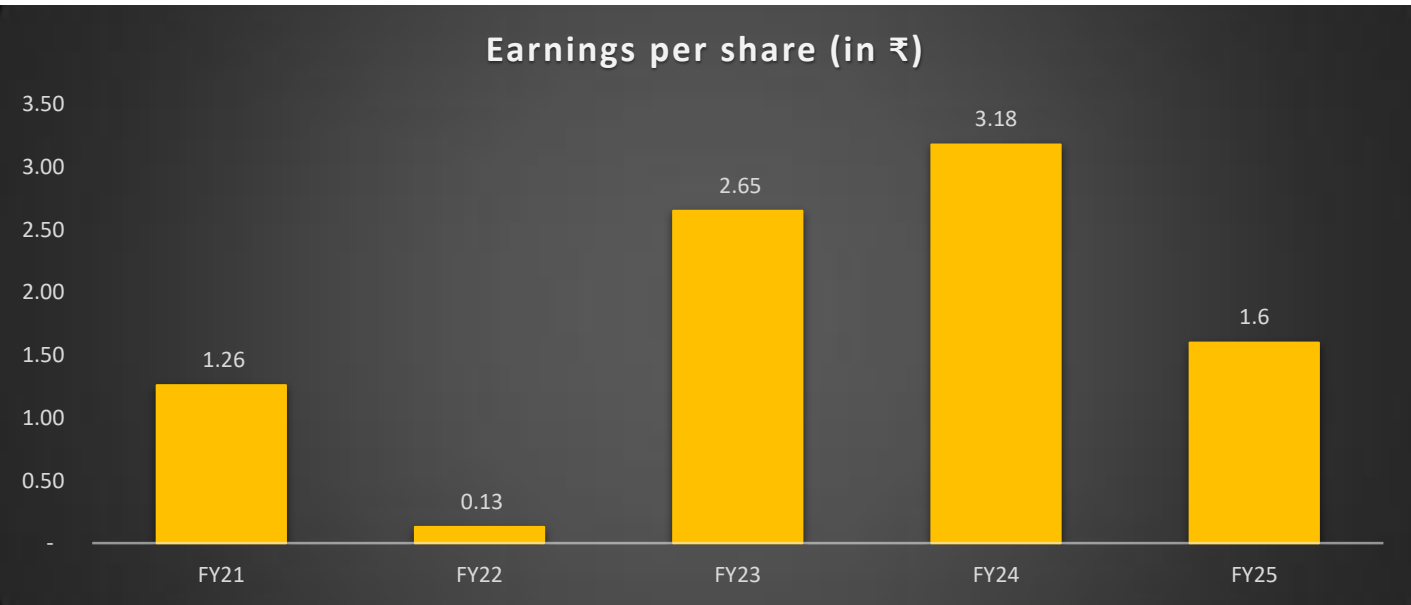
Care Health Insurance’s FY25 financial metrics reflect a year of **significant underwriting stress amid resilient cash flow generation**. Operating cash flow strengthened to **₹1,376.97 crore**, highlighting robust premium inflows and effective working capital management despite pressure on profitability. Investing cash flows remained materially negative, consistent with the insurer’s business model of deploying funds into regulated investment assets, while minimal financing cash flows underscore limited dependence on external funding. Net cash flow turned positive in FY25, indicating balance-sheet stability.

From a growth perspective, FY25 witnessed a **sharp contraction in total income, net profit and EPS**, following an exceptionally strong FY23 base and a relatively stable FY24. The decline was primarily driven by elevated claims experience and margin compression, resulting in a **49.69% decline in EPS**, reflecting reduced earnings translation despite scale.

Profitability indicators point to **severe deterioration in underwriting performance**, with the operating profit ratio declining to **0.77% from 6.68% in FY24**, indicating near break-even insurance operations. While EBIT and PAT margins appear elevated due to the accounting structure of insurers, the meaningful signal lies in the sharp weakening of underwriting margins. Consequently, return ratios moderated materially, with **RoNW declining to 6.66%** and **RoA to 1.72%**, reflecting lower capital productivity in FY25.

Overall, FY25 highlights a **disconnect between cash flow strength and earnings quality**, with the company retaining financial stability but facing near-term pressure on underwriting profitability. Recovery in margins and normalization of loss ratios remain key drivers for improvement in return metrics going forward.

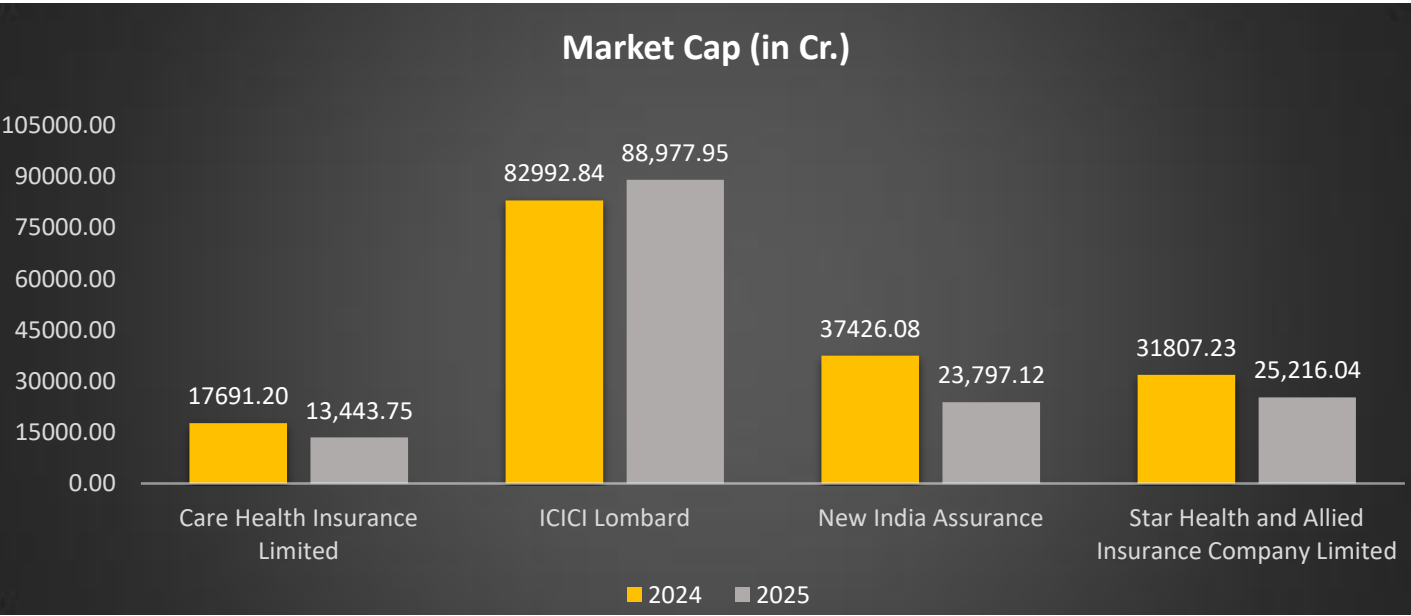
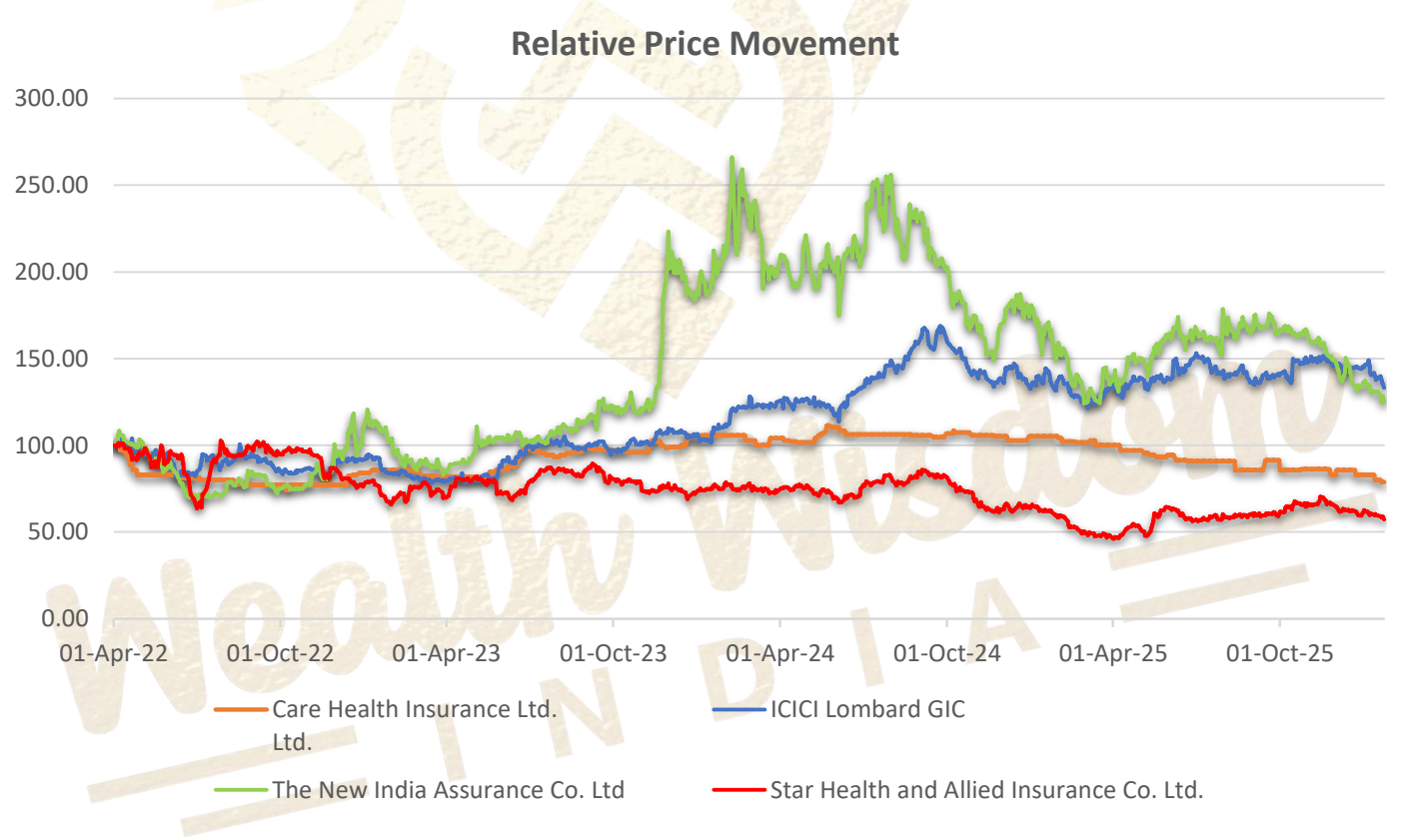
Exhibit 1: Earnings per share



Peer Comparison (CMP Dated January 24, 2026)

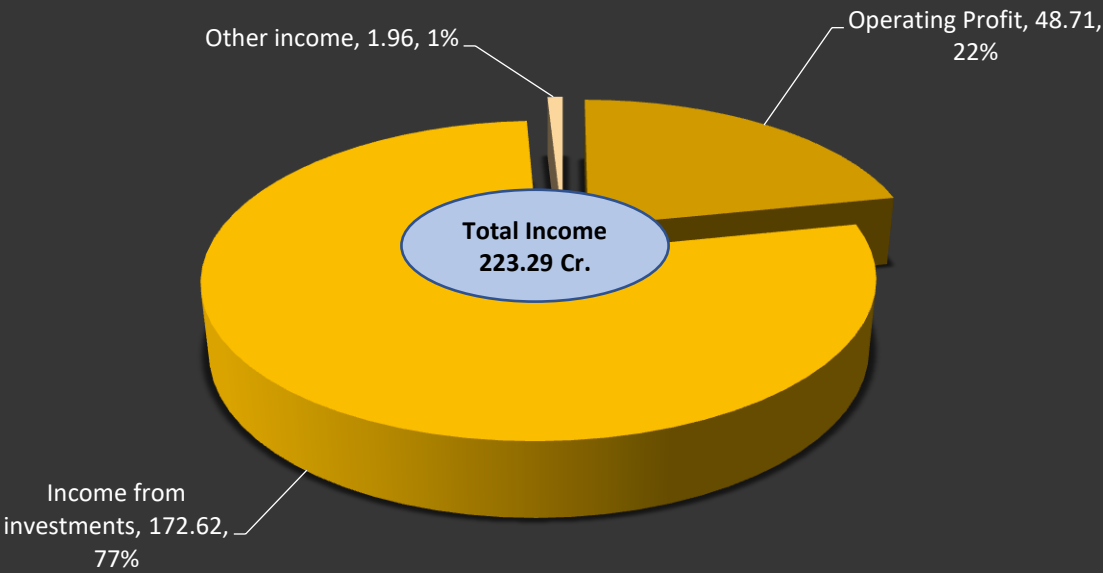
Particulars	Care Health Insurance Limited	ICICI Lombard General Insurance Company	The New India Assurance Co. Ltd	Star Health and Allied Insurance Company Limited
CMP* (in ₹)	138.00	1,794.90	144.40	429.00
Market Cap (In Cr.)	13,443.75	88,977.95	23,797.12	25,216.04
Gross Written Premium (In Cr.)	8,561.99	28,257.74	43,618.40	16,781.36
Net Earned Premium (In Cr.)	6,347.22	19,800.00	35,367.84	36,130.26
Total Income (In Cr.)	223.29	3,331.13	1,960.72	912.28
Net Claims Incurred (In Cr.)	4,095.89	13,986.81	34,167.89	10,419.37
PAT (In Cr.)	155.18	2,508.29	1,036.63	645.86
PAT Margin	69.50%	75.30%	52.87%	70.80%
EPS (in ₹)	1.59	50.25	6.29	10.86
BVPS (Book Value Per Share) (in ₹)	23.93	288.53	138.08	119.49
P/E	86.79	35.72	22.96	39.50
P/BV	5.77	6.22	1.05	3.59
ROE	6.66%	17.54%	4.56%	9.20%
3 year CAGR Total Income	-33.19%	6.52%	-28.10%	3.36%
3 year CAGR Net profit	-14.22%	13.20%	-0.78%	2.47%
Operating Margin	3.32%	11.40%	-1.20%	12.59%
Combined Ratio (In %)	103.00%	102.80%	116.78%	101.09%
Solvency Ratio	1.68	2.69	1.91	2.21

Peers Relative Price Movement

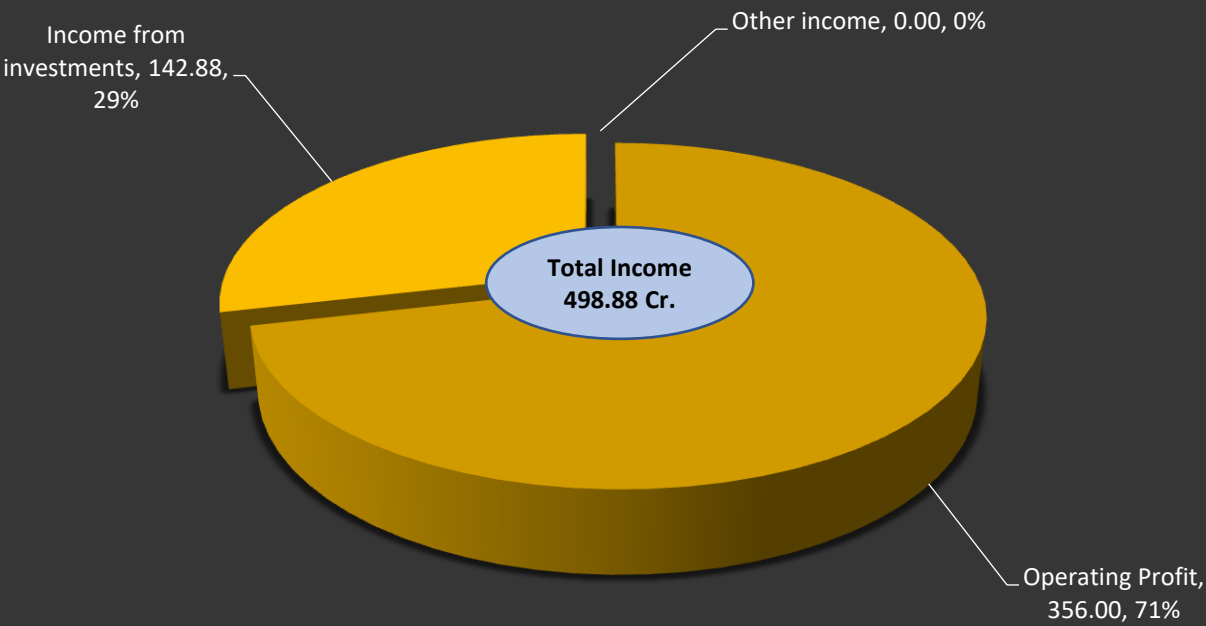


Financials

Total Income Bifurcation (in Cr.) - 2025



Total Income Bifurcation (in Cr.) - 2024



Note: The investment income in the bifurcation charts (₹172.62 Cr in FY25; ₹142.88 Cr in FY24) reflects the **Shareholders’ P&L portion**, sensible for evaluating profitability and valuation. The higher figures in the financial statements (₹367.58 Cr in FY25; ₹268.00 Cr in FY24) represent **total investment income**, which is sensible for assessing overall asset performance, policyholder fund returns, and solvency strength. Both are appropriate in their respective contexts.

Total Income Bifurcation – FY24 vs FY25

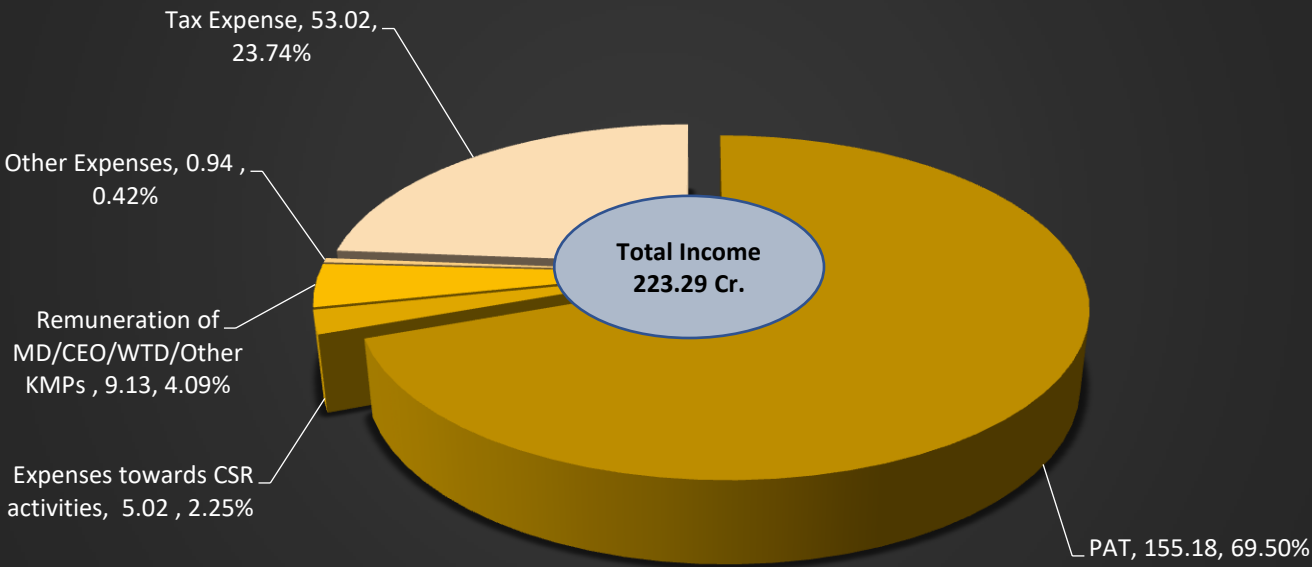
The income composition of Care Health Insurance Limited witnessed a **material structural shift in FY25**, reflecting pressure on underwriting performance and a higher dependence on investment income. In **FY24**, total income stood at **₹498.88 crore**, with **operating profit contributing a dominant 71% (₹356.00 crore)**, indicating strong underwriting-led profitability. Investment income accounted for **29% (₹142.88 crore)**, while other income was negligible. This mix highlights FY24 as a year where **core insurance operations were the primary earnings driver**.

In contrast, **FY25 total income declined sharply to ₹223.29 crore**, accompanied by a **significant reversal in income composition**. Investment income emerged as the primary contributor at **77% (₹172.62 crore)**, while **operating profit fell to just 22% (₹48.71 crore)**, reflecting severe compression in underwriting margins. Other income remained marginal at **1%**, indicating limited non-core income support.

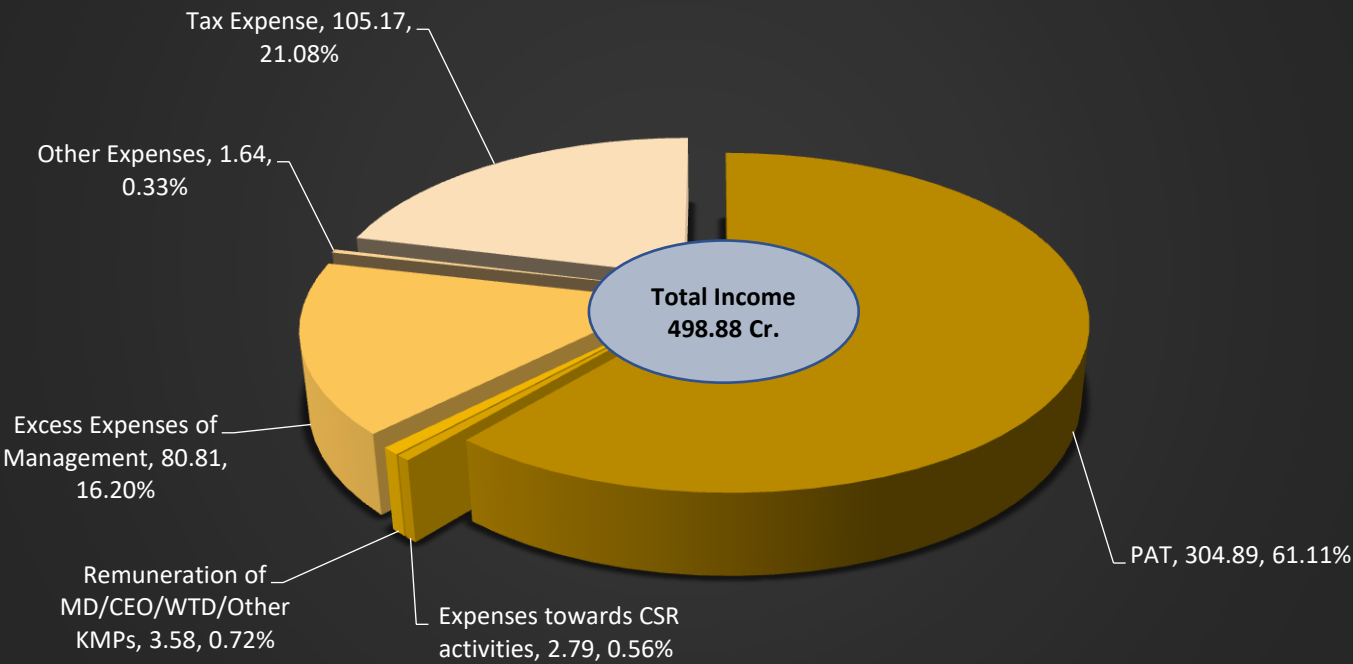
Overall, the comparison underscores a **clear shift from underwriting-driven profitability in FY24 to investment-led earnings in FY25**. While investment income provided stability amid operating stress, the sharp reduction in operating profit highlights **weakened core business profitability**, making underwriting recovery a key monitorable for future performance.

Financials

Total Income Utilization (in Cr.) - FY25



Total Income Utilization (in Cr.) - FY24



Total Income Utilization Summary – FY25 vs FY24

Care Health Insurance’s income utilization pattern indicates **improved cost discipline in FY25 despite a sharp contraction in total income**. In **FY24**, total income of ₹**498.88 crore** resulted in **PAT of ₹304.89 crore**, implying a **61.1% profit retention**, with a relatively higher share absorbed by tax and management-related expenses.

In **FY25**, total income declined to ₹**223.29 crore**; however, **PAT of ₹155.18 crore accounted for a higher 69.5% of income**, supported by tighter control over operating and overhead costs. Tax expense remained broadly stable on a proportional basis, while CSR spending, KMP remuneration, and other expenses continued to represent a **small and well-contained portion of income**.

Overall, while absolute profitability weakened due to underwriting pressure, **FY25 reflects better income utilization efficiency**, highlighting management’s focus on cost rationalisation and margin preservation in a challenging operating environment.

The reduction in management and discretionary expenses in FY25 suggests a conscious shift toward **cost optimisation and tighter financial controls**. Despite a lower earnings base, the Company’s ability to convert a higher proportion of income into net profit reflects **operational resilience**. This efficiency partially offset the impact of underwriting stress and helped stabilise return metrics. Going forward, sustained improvement in underwriting margins will be critical to translate this cost discipline into stronger absolute profitability.

Key Metrics

Exhibit 2: Return on equity

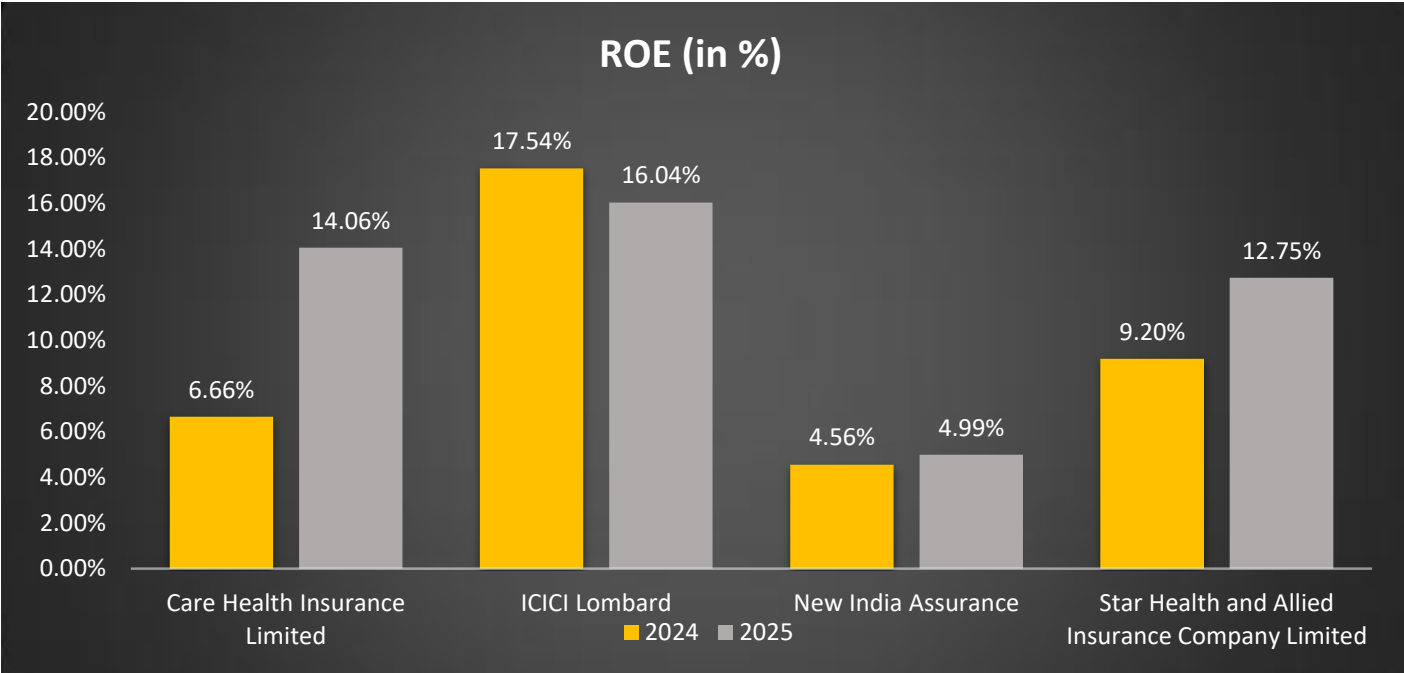
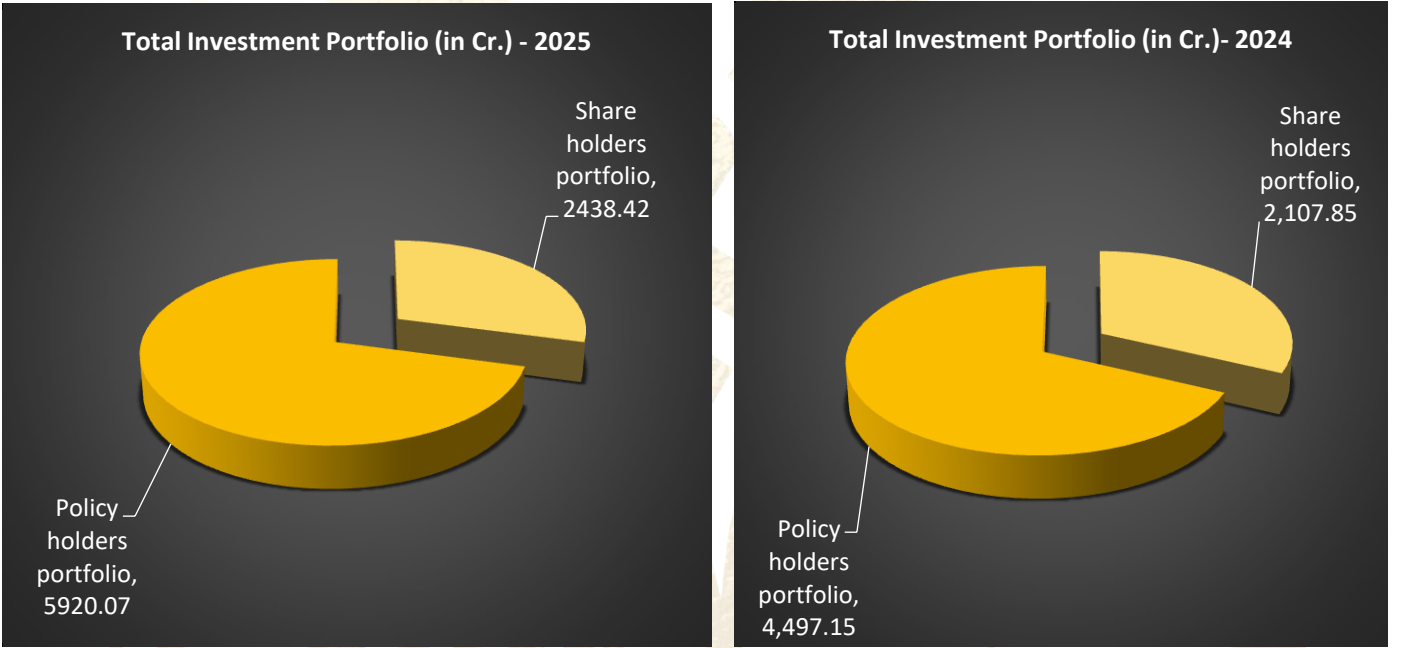
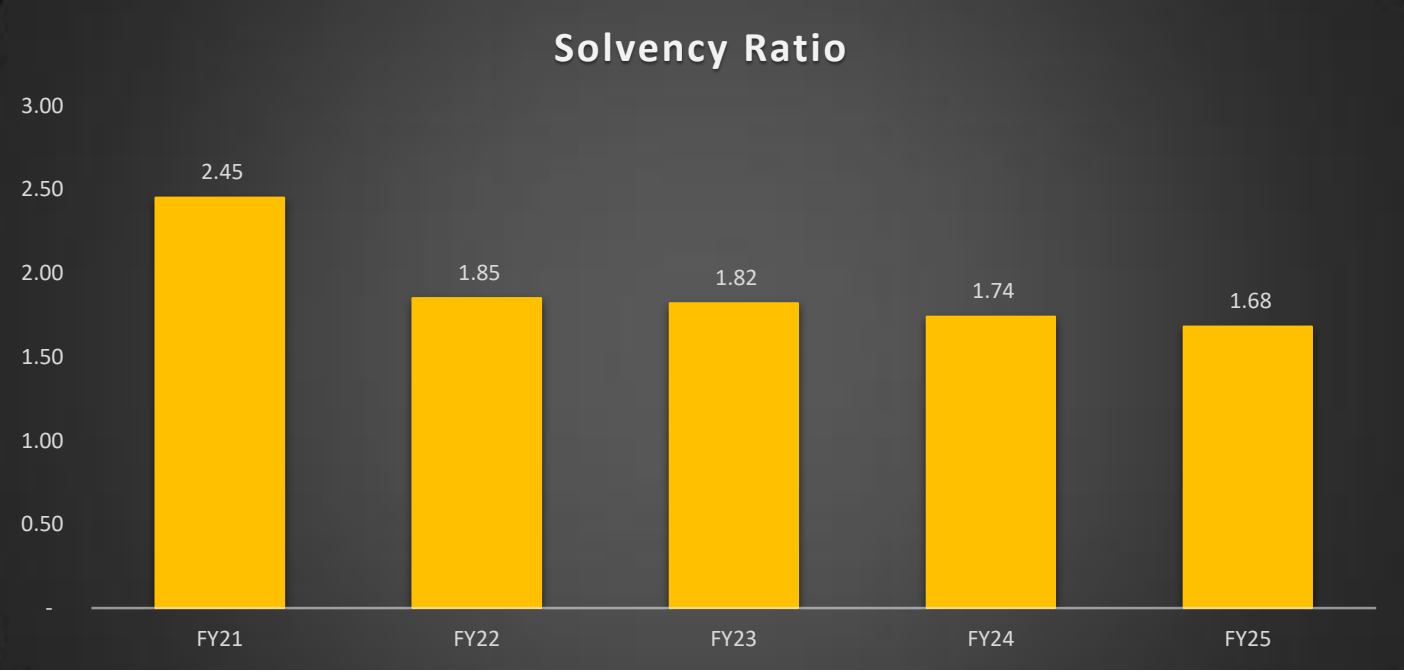


Exhibit 3: Investment Portfolio



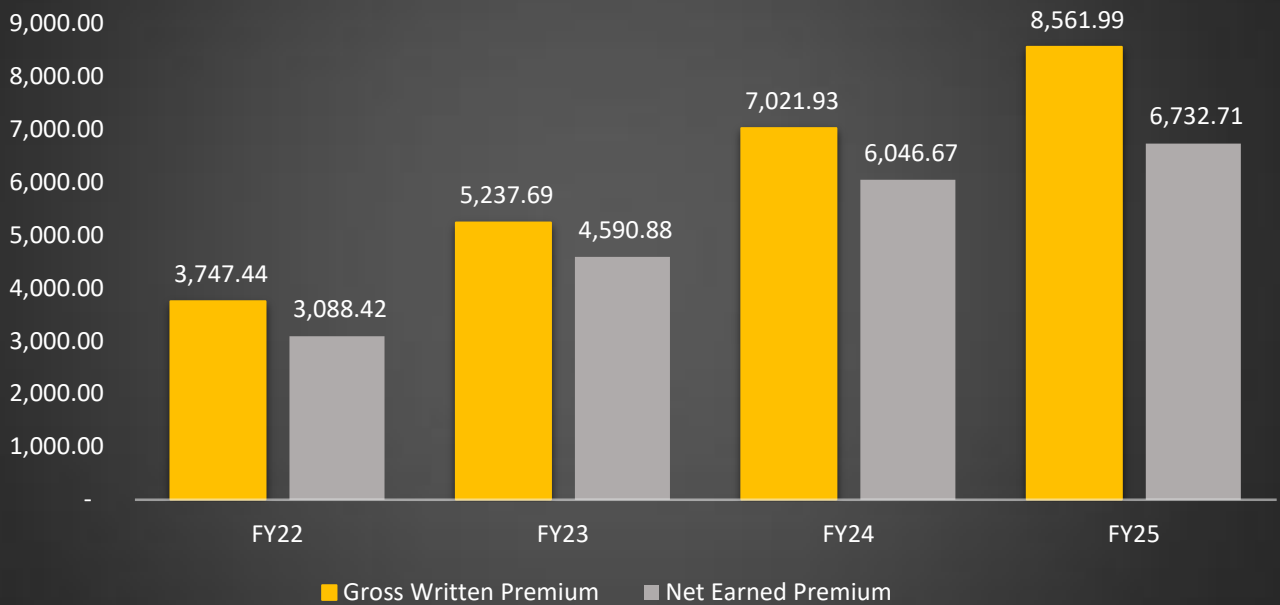
Note: The Company’s investment portfolio is managed in line with IRDAI regulations and is appropriately diversified between shareholder and policyholder funds. The strategy prioritises capital safety, liquidity and stable returns through exposure to sovereign and high-quality instruments, supporting earnings stability and balance-sheet strength.

Exhibit 4: Solvency Ratio



Highlights

Gross Written Premium Vs Net Earned Premium (in Cr.)



Note: Gross Written Premium (GWP) shows the total business the insurer has acquired during the year, reflecting its market reach and growth momentum. However, investors should focus on Net Earned Premium (NEP), as it represents the premium actually retained after reinsurance and recognized as revenue. NEP directly influences underwriting profit, loss ratios, and overall financial performance. Understanding both GWP and NEP helps investors assess business expansion strength (GWP) and real income generation capability (NEP), offering a clearer picture of the company's profitability quality.

Risk Associated with Care Health Insurance Limited

1. Underwriting & Claims Risk

The Company is exposed to adverse claims experience arising from **medical inflation, higher claim frequency, severity trends, and changes in disease patterns**. Any sustained deterioration in loss ratios could pressure **underwriting profitability and capital buffers**.

2. Regulatory & Compliance Risk

Operations are subject to extensive regulation by **IRDAI**. Changes in product norms, pricing guidelines, solvency requirements, accounting standards (including transition to IND AS), or governance regulations may impact business **flexibility and profitability**.

3. Investment & Market Risk

Investment income forms a significant component of overall earnings. Volatility in **interest rates, bond yields, and equity markets** can affect **portfolio returns, valuation of assets, and capital adequacy** despite a conservative investment approach.

4. Operational & Technology Risk

The Company faces risks related to **system failures, process inefficiencies, fraud, and cyber security threats**, particularly with increasing digitalisation of policy issuance, claims processing, and customer servicing.

5. Reinsurance Dependence Risk

Reliance on reinsurers exposes the Company to **counterparty risk, recoverability delays, and changes in reinsurance pricing or capacity**, which may affect net retention and profitability.

6. Persistency & Pricing Risk

Weak policy renewals, pricing mismatches, or aggressive competition in the health insurance segment could impact premium growth, margins, and long-term customer lifetime value.

7. Governance & Key Management Risk

The effectiveness of risk oversight depends on strong governance frameworks and experienced leadership. Any disruption in senior management or lapses in risk governance may affect **strategic execution and risk control**.

8. Reputation & Claims Settlement Risk

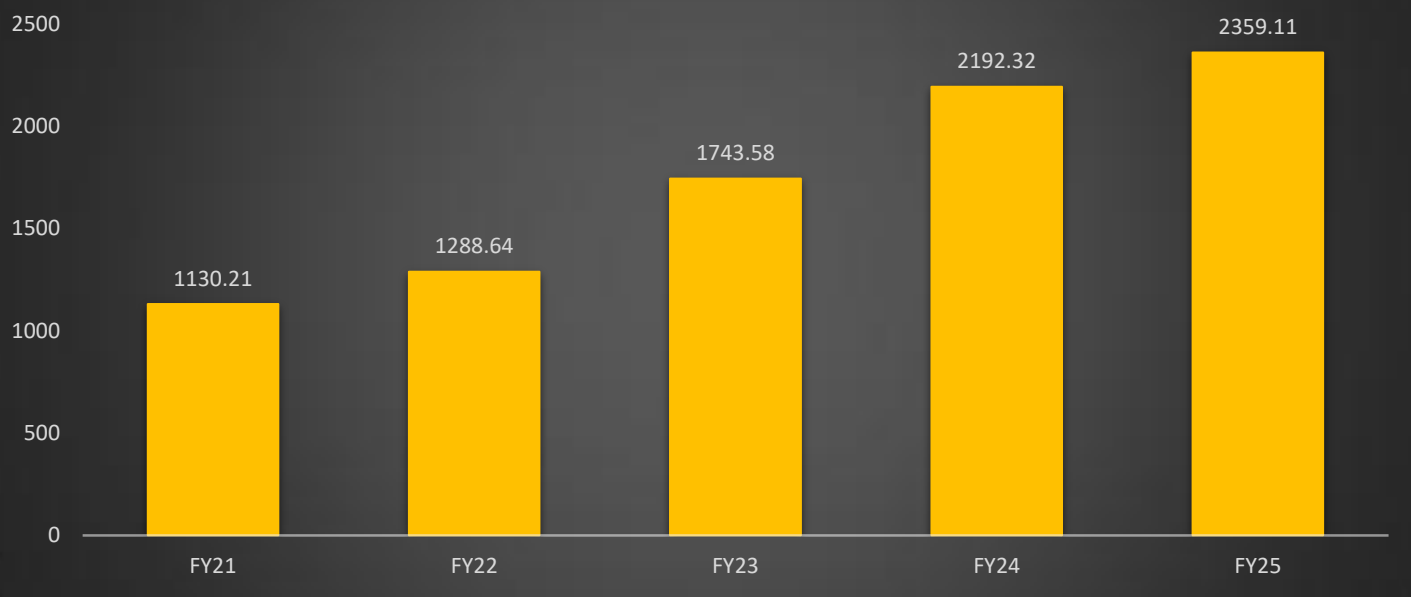
The health insurance business is highly sensitive to customer experience and claims settlement practices. Any deterioration in turnaround times, **disputes, or adverse publicity** could impact **brand perception, renewals, and regulatory scrutiny**.

9. Regulatory enforcement & legal-proceedings risk

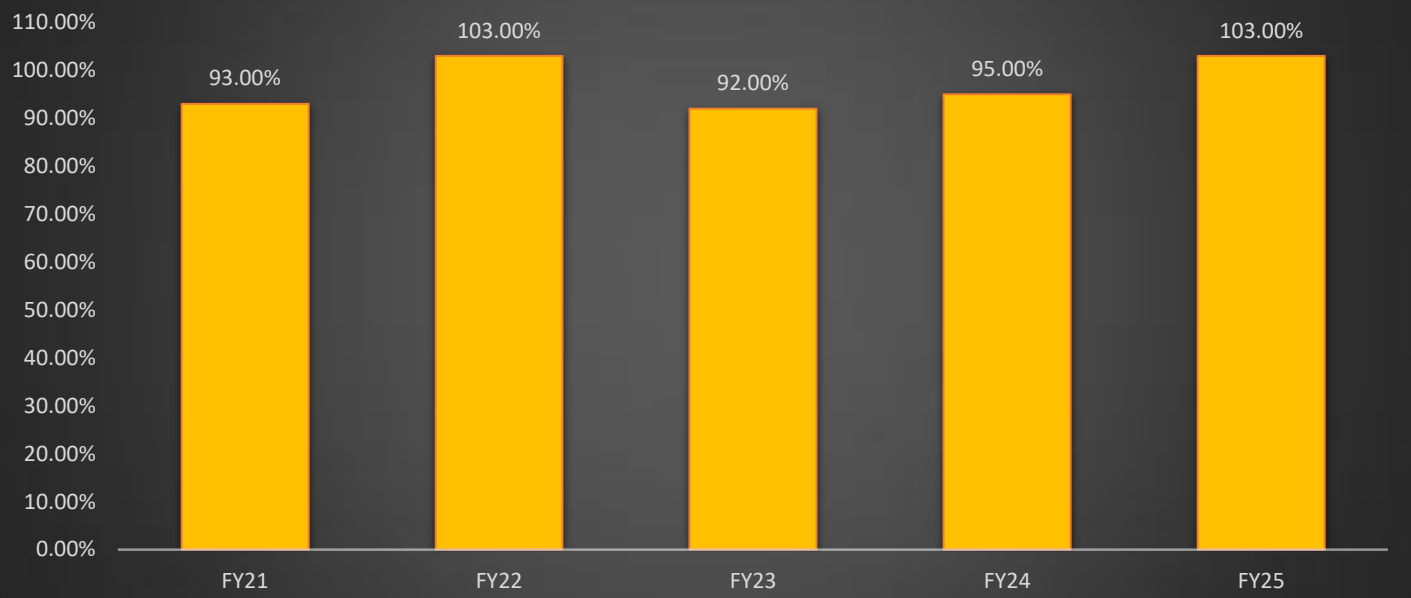
Recent **regulatory scrutiny and enforcement actions** have increased the Company's exposure to **compliance, litigation and reputational risk**. Regulators have **issued orders and monetary penalties relating to procedural lapses in claims handling and governance, and law-enforcement agencies have sought information from company directors in related probes**; any further **findings, penalties, or prolonged investigations** could increase **provisioning, invite tighter supervision, and hurt stakeholder confidence** — amplifying financial and operational risks already highlighted in the annual report.

Highlights

Total Net Worth (in Cr.)



Combined Ratio (in %)



Disclaimer

The figures as on 31 March 2025 have been sourced from the Company’s Annual Report. This material has been prepared for information purposes only and is based on publicly available information, internally developed data, data obtained from the NSE website, and other openly available and reliable sources. However, we do not warrant the completeness, accuracy, or reliability of the information contained herein.

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