

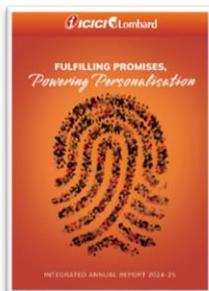
BSE SENSEX
81,362

S&P CNX
24,793

CMP: INR1,928

TP: INR2,300(+19%)

Buy



Future ready; innovation driven

Stock Info

	ICICI IN
Bloomberg	ICICI IN
Equity Shares (m)	496
M.Cap.(INRb)/(USD\$b)	956.7 / 11
52-Week Range (INR)	2302 / 1613
1, 6, 12 Rel. Per (%)	3/-2/4
12M Avg Val (INR M)	1509

Financials Snapshot (INR b)

Y/E March	2025	2026E	2027E
NEP	198.0	217.8	243.0
U/W Profit	-8.7	-7.0	-6.3
PBT	33.2	39.3	46.2
PAT	25.1	29.5	34.7
EPS (INR/share)	50.9	59.9	70.4
EPS Growth (%)	30.7	17.6	17.6
BVPS (INR/share)	290.3	333.8	387.9

Ratios (%)

Claims	70.6	69.9	69.6
Commission	18.5	18.4	18.3
Expense	13.7	13.4	13.2
Combined	102.8	101.7	101.1
RoE	19.1	19.2	19.5

Valuations

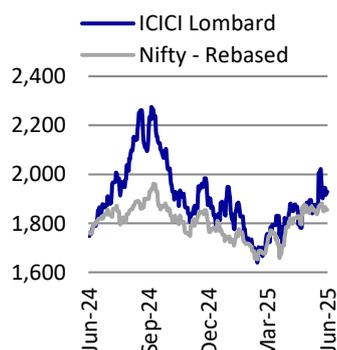
P/E (x)	37.9	32.2	27.4
P/BV (x)	6.6	5.8	5.0

Shareholding pattern (%)

As On	Mar-25	Dec-24	Mar-24
Promoter	51.6	51.6	51.3
DII	17.8	17.3	16.1
FII	23.7	24.4	23.1
Others	6.9	6.8	9.6

FII includes depository receipts

Stock Performance (1-year)



- ICICI Lombard (ICICIGI), in its annual report, has reiterated its future readiness to capitalize on the fast-growing general insurance industry. Its core business strategy is built on **five strategic pillars**: 1) delivering market-leading performance; 2) providing next-gen customer service via the use of technology; 3) offering innovative products and capturing newer market opportunities; 4) maintaining robust risk management; and 5) optimizing capital and improving operating performance.
 - ICICIGI outpaced industry growth in **retail health**, reporting a 25% YoY increase (vs. 12.1% for the industry), leading to a market share gain to 3.3% in FY25 from 3% in FY24. This growth was driven by innovative product launches such as the AI-powered *Elevate* and *Activate Booster*, a strategic tie-up with Policy Bazaar, expansion of the IL Sahayak support network, and continued investments in scaling up the health agency channels.
 - The **Motor** segment recorded 11.5% YoY growth, outpacing the industry's growth of 8% and increasing ICICIGI's market share to 10.8% (vs. 10.5% in FY24), with GDPI reaching INR107.4b. This growth was driven by granular portfolio segmentation, risk-based pricing, efficient claim settlement, and a diversified mix (Private Cars: 53.3%, Two-Wheelers: 25.6%, CVs: 21.2%). The company is actively scaling its presence in the emerging EV insurance space, especially in the private car and two-wheeler segments.
 - **Technology** and **digitalization** remained central to ICICIGI's strategy, with 99.9% of policies issued digitally and advanced technologies like AI, ML, analytics, and IoT deployed across key functions. Strategic initiatives like One IL One Digital, Project Orion, and the launch of Elevate supported process modernization, platform synergies, and capability building to drive superior outcomes.
 - In FY25, the company recorded a **Gross Direct Premium Income** (GDPI) of INR268.3b, registering an 8.3% YoY growth (11% excluding the impact of 1/n accounting), ahead of the industry's growth of 6.2%. The combined ratio improved to 102.8% (vs. 103.3% in FY24), supported by slight improvement in the loss ratio. Solvency ratio strengthened to 2.69x (vs. 2.62x in FY24) and Return on Average Equity (RoAE) improved to 19.1% (vs. 17.2%).
 - **Valuation**: Despite subdued growth in the general insurance industry in FY25, ICICIGI continued to maintain profitable growth, achieving double-digit expansion in the Motor segment through focused initiatives in older and commercial vehicles and refined portfolio segmentation. The health segment, particularly retail, remained a key growth driver, supported by market share gains, strong traction from new customer acquisitions, and inflation-linked pricing strategies. We have increased our earnings estimates by 3%/5% for FY26/FY27, driven by a decline in expenses.
- Reiterate a BUY rating on the stock with a TP of INR2,300 (based on 33x Mar'27E EPS).**

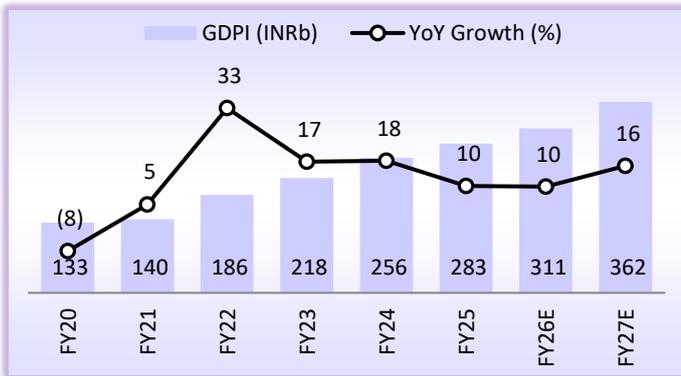
Research Analyst: Prayesh Jain (Prayesh.Jain@MotilalOswal.com) | **Nitin Aggarwal** (Nitin.Aggarwal@MotilalOswal.com)

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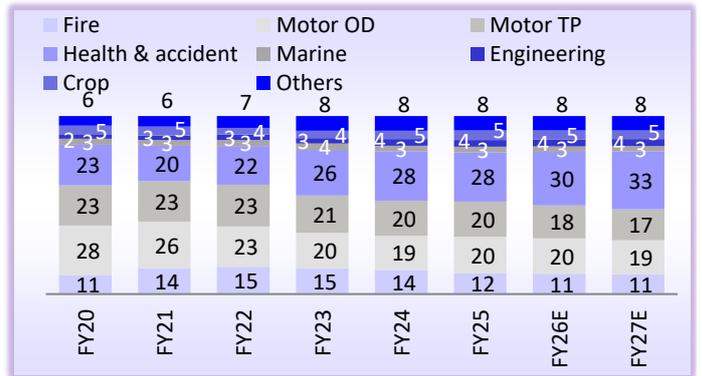
Investors are advised to refer through important disclosures made at the last page of the Research Report.

STORY IN CHARTS

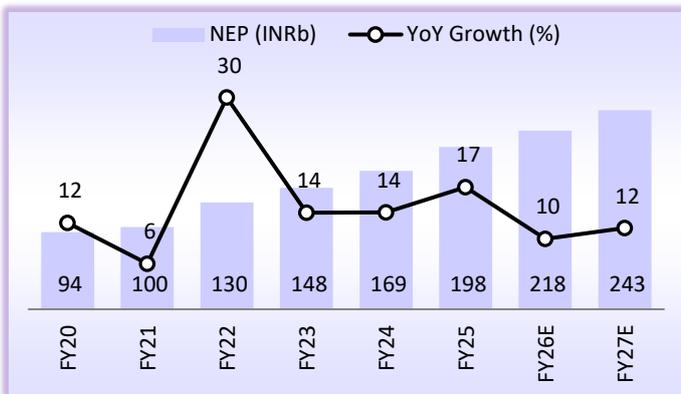
GDPI trends upwards



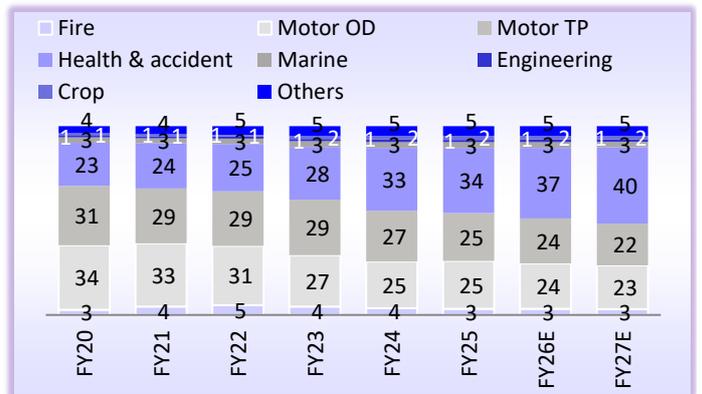
GDPI mix (%)



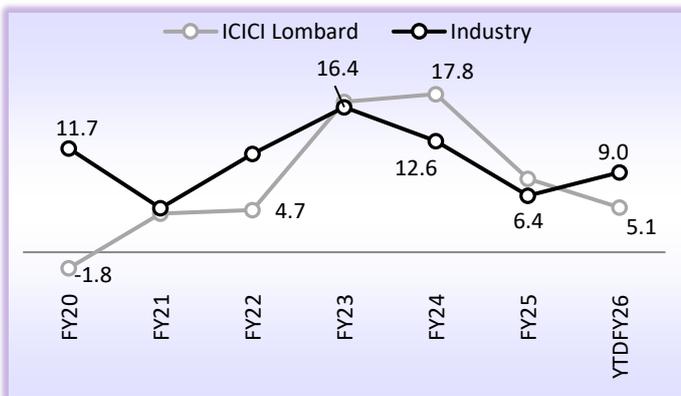
NEP trends upwards



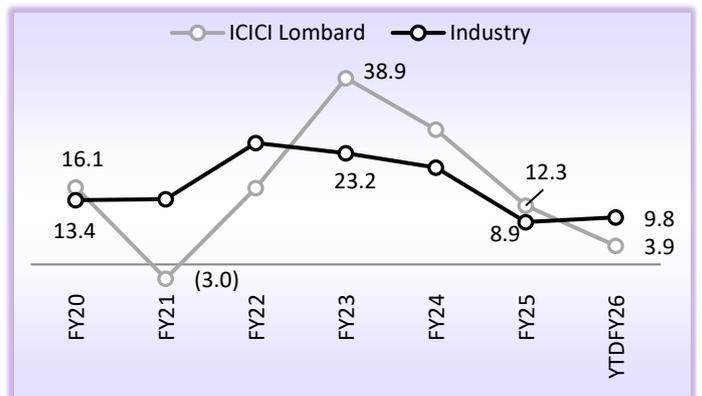
NEP mix (%)



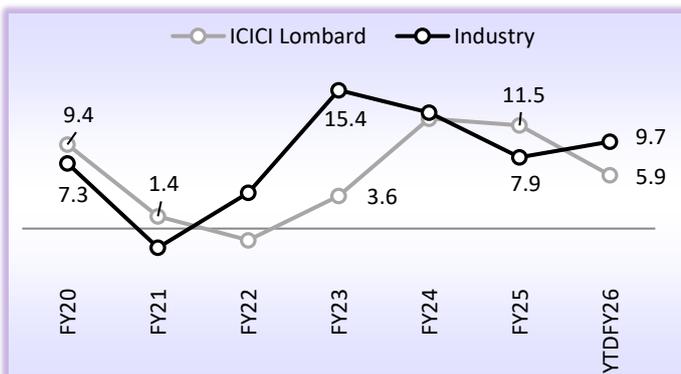
Based on overall GWP, ICICIGI outperforms industry growth in FY25 on a YoY basis



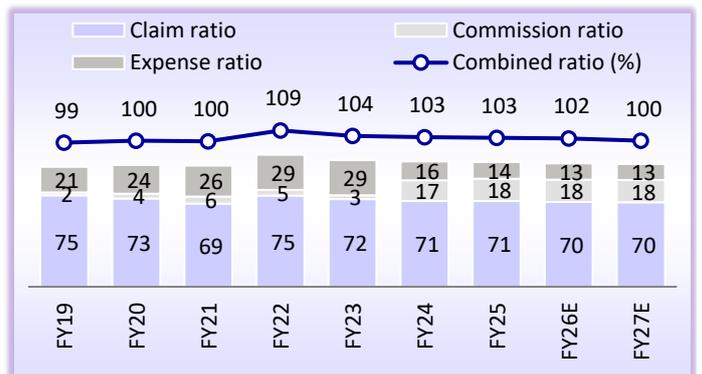
Based on total health GWP, ICICIGI's growth remains ahead of industry growth on a YoY basis



Based on total motor GWP, ICICIGI's growth remains ahead of industry on a YoY basis



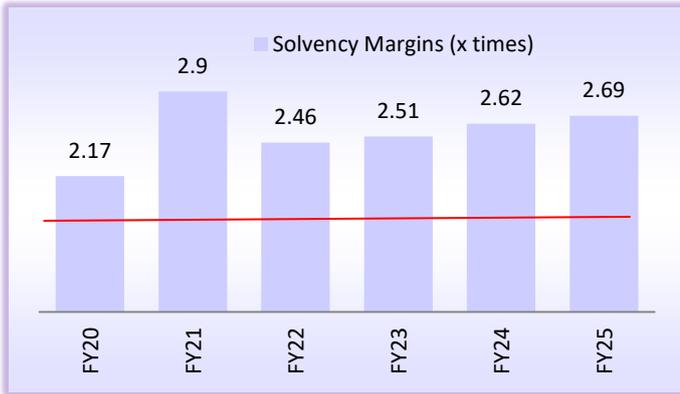
Slight improvement in claim ratio led to lower combined ratio in FY25



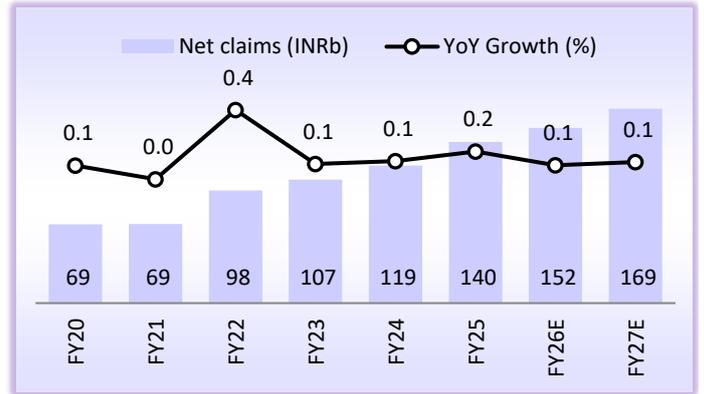
Source: MOFSL, Company

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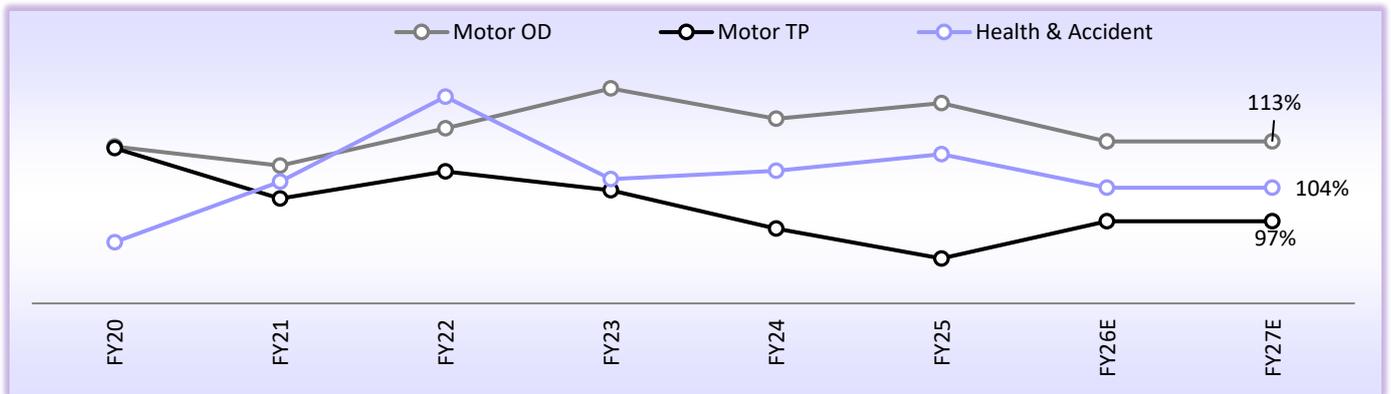
ICICIGI maintains healthy solvency ratio



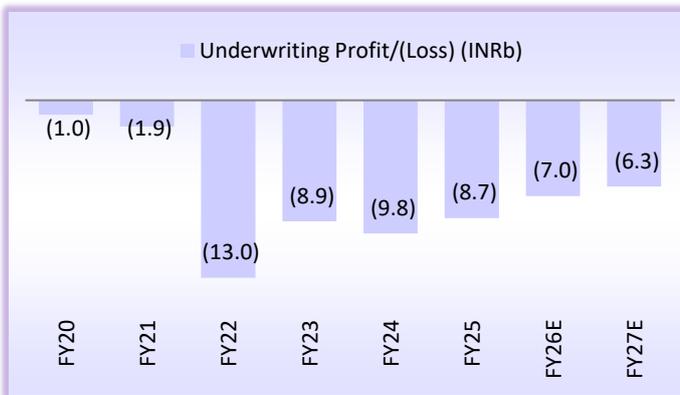
Trend in net claims in INRb



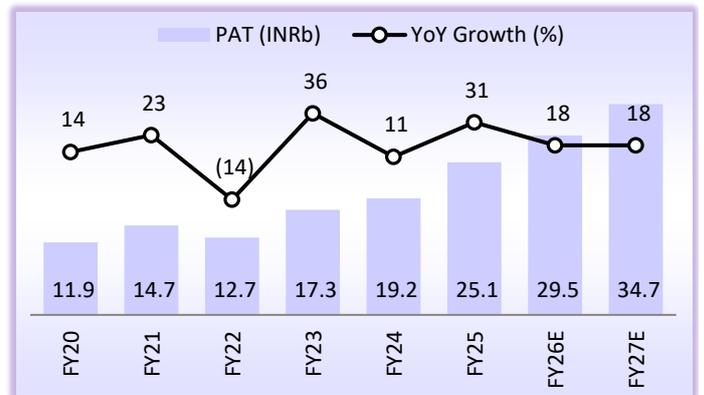
Combined ratio comparison across segments



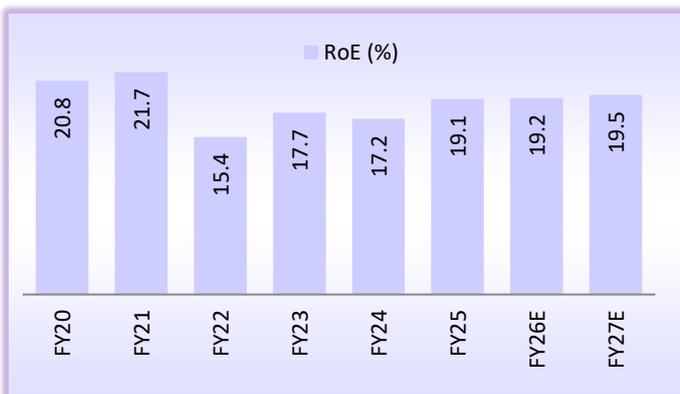
Underwriting loss reduced in FY25



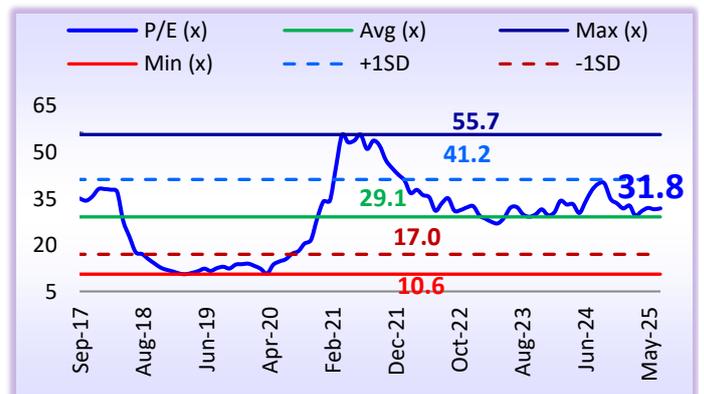
Trend in PAT in INRb



Return ratios to recover to high teens



One-year forward P/E chart



Source: MOFSL, Company

Source: MOFSL, Company

Key business parameters

In Nos.	FY20	FY21	FY22	FY23	FY24	FY25
Capex on new offices & branches (INR b)	4.7	4.8	4.9	5.08	6.16	6.38
Service call centers	2	2	2	3	3	3
Call center executives	501	1,233	679	1601	685	670
Capex on technology infrastructure (INR b)	6.9	7.3	8.2	8.81	9.45	10.09
In-house claims manager – Motor	756	707	916	950	945	946
In-house claims manager – Health	290	284	299	389	395	362
Actuarial team	22	25	39	42	45	47
Top management and leadership	11	10	10	13	12	10
Business group (Retail and Wholesale)	5,397	5,264	6,851	8,246	8,535	9,586
Service, Support, and Corporate groups	3,588	3,688	4,234	4,606	5,123	5,527
Individual agents (including POS)	47,548	59,545	88,545	1,13,000	1,28,411	1,40,736
Corporate agents	110	126	160	175	217	288
Network hospitals	6,536	9,307	6,751	7,547	10,425	10,384
Network garages	8,800	9,700	11,247	13,134	13,000	14,169
No. of branches	273	276	283	305	312	328
Virtual offices	840	840	908	917	917	992
First call resolution rate	82%	81%	82%	81%	84%	86%
New products approved during the year	18	24	21	16	8	26
Policies processed electronically	97%	97%	97%	97%	99%	100%
In-house motor claims	89%	87%	92%	93%	95%	95%
In-house health claims	94%	87%	78%	77%	87%	88%
Net promoter score	46	48	52	64	67	68
No. of complaints/10,000 policies	1.08	1.09	1.23	1.5	1.47	2.01
No. of policies issued (m)	26.2	21.7	29.3	32.7	36.2	37.6
Number of claims settled (m)	1.9	1.6	2.3	3.6	2.9	3.2

Source: MOFSL, Company

Comparative loss ratio analysis for ICICIGI (%)

Segment	FY22	FY23	FY24	FY25
Motor - Own Damage	68.1	72.6	63.5	65.2
Motor - Third Party	74	72.2	66.8	63.2
Motor - Total	70.9	72.4	65.2	64.2
Health Insurance	100.5	81.5	81.4	85.5
Crop / Weather	107.9	80.1	88.4	89.2
Marine - Cargo	77.2	71.8	72.7	79.8
Marine - Other than Cargo	117.8	178.7	136.8	71.7
Marine - Total	77.6	72.4	73.4	79.8
Personal Accident	31.9	40.8	53.3	53.5
Fire	53.1	49.3	62.2	46.8
Engineering	69.3	55.1	63.8	36.8
Aviation	89.4	96.1	217.3	87.3
Workmen's Compensation	51.2	66.8	61.2	75.1
Public / Product Liability	59.4	84.4	54.2	40.8
Credit Insurance	85.8	99.6	94	85.1
Others	47.8	57.5	71.9	61.9
Total	75.1	72.4	70.8	70.6

Source: MOFSL, Company

Racing ahead with strategic execution

- **Market-leading performance:** In FY25, the company reinforced its market leadership among private sector non-life insurers, particularly in the Motor, Engineering, and Marine segments, despite industry-wide economic challenges, pricing pressures, and regulatory changes (1/n accounting). Key drivers of the company's above-industry growth included strong brand equity, quality service, robust multi-channel distribution, and solid underwriting capabilities.
- **Performance highlights:**
 - Retail Health market share rose to 3.3% in FY25 from 3.0% in FY24.
 - Overseas travel premiums grew 30%, with policy count up 44%.
 - Motor insurance market share increased to 10.8% in FY25 from 10.5% in FY24.
- **Next-gen customer service:** The company's customer-centric and technology-driven strategy remains a key competitive advantage. In FY25, it accelerated the adoption of advanced technologies such as AI/ML, GenAI, IoT, and cloud computing to improve customer experience, enable personalization, and drive operational efficiencies.
- **Key digital initiatives and performance metrics:**
 - The consolidation of digital assets, including the IL TakeCare app, website, and digital alliances, under the One IL One Digital initiative significantly enhanced user experience and efficiency.
 - Unique digital platform visitors doubled; fresh digital transactions grew 37%.
 - IL TakeCare App downloads rose to 14.9m (from 9.3m in FY24), generating INR2.7b in business.
 - Customer-facing digital business grew 15.8%, accounting for 6.6% of overall GDPI.
 - 99.9% of the 37.6m policies issued in FY25 were digital.
- **Operational improvements:**
 - Cloud migration improved service agility and reliability.
 - Motor calls-to-claims ratio fell by 21%, with 86% cloud-calling adoption (vs 49% in FY24).
 - The average claim settlement time reduced to five days (Motor OD) and three days (Health).
 - IL Sahayak supported 90k+ customers across 56 cities and 2.5k+ hospitals.
 - AI-based cashless authorizations in Group Health rose to 73.2% (from 61.8% YoY).
- **Project Orion**, focused on digital-first process transformation, remains central to the company's vision of 'fulfilling promises, powering personalization.'
- **Innovating products and reimagining markets:**

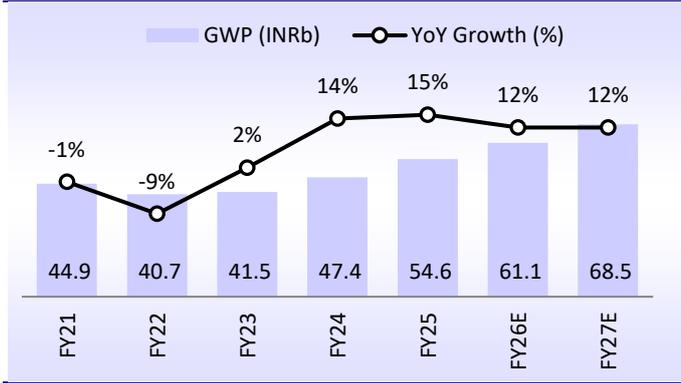
Enhancing product offering: In FY25, ICICIGI continued to expand its solutions across Health, Motor, Travel, and Corporate insurance. Key initiatives included AI-powered customized products such as Elevate and TripSecure+; the super top-up health product Activate Booster; and a range of lifestyle-based covers, riders, add-ons, and upgrades across segments. The innovative Anywhere Cashless feature further enhanced customer convenience by enabling access to cashless medical treatment at any hospital.

- **Serving the underserved:** Efforts to expand market penetration in Tier 3 and 4 cities progressed through digital process enhancements and geographic expansion. The company scaled its virtual presence to 992 offices, grew its individual agent base (including POS) to 0.14m, and strengthened distribution through bancassurance and Key Relationship Group (KRG) channels.
- **Risk-smart performance:** The company has a robust risk management framework and governance mechanism that support profitable growth, robust reserves, and prudent investment management. In FY25, the company integrated ESG priorities under this framework.
- **Optimizing capital and operational performance:** The company remains focused on enhancing operational efficiency and financial performance through customer-centric solutions and advanced technology integration across service platforms. Robust risk assessment frameworks and strong reserves support a healthy combined ratio and prudent risk management practices.

Motor Insurance: Sustained leadership and strategic growth

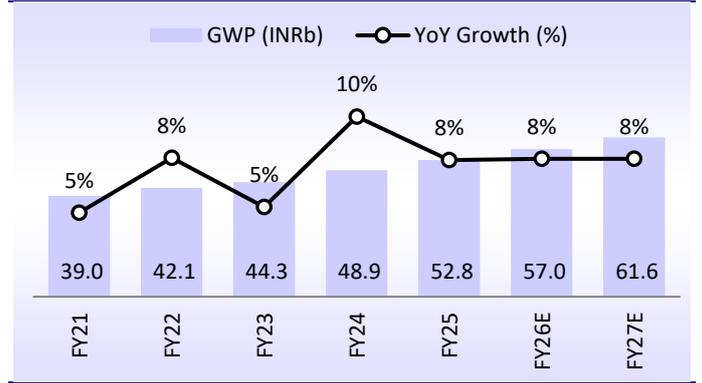
- The Motor segment recorded 11.5% growth in FY25, outpacing industry growth of 8%, with market share gain to 10.8% (vs 10.5% in FY24). Gross Direct Premium Income (GDPI) reached INR107.4b, supported by granular portfolio segmentation, risk-based pricing, and multi-channel distribution.
- The portfolio mix remained diversified with Private Cars at 53.3%, Two-Wheelers at 25.6%, and Commercial Vehicles at 21.2%.
- Risk selection was enhanced through the inclusion of variables such as CIBIL-based discounts. Strategic partnerships with Motor Insurance Service Providers (MISPs) and intermediaries were further strengthened. Digitalization remained a key enabler across claims and risk functions, driving improved customer experience.
- With the rising adoption of Electric Vehicles (EVs), especially in private cars and two-wheelers, the company is actively expanding its presence to capture emerging opportunities in the EV space.
- The company launched the Motor Shiksha Abhiyan – a structured, pan-India training program designed to upskill agents on motor insurance products, processes, and digital tools. The program focuses on three core pillars: Product awareness, process familiarization, and digital enablement. Under this, the company successfully trained over 4.2k agents across the country, with 13 virtual training sessions conducted.

Exhibit 1: Motor OD GWP to clock a 12% CAGR over FY25-27



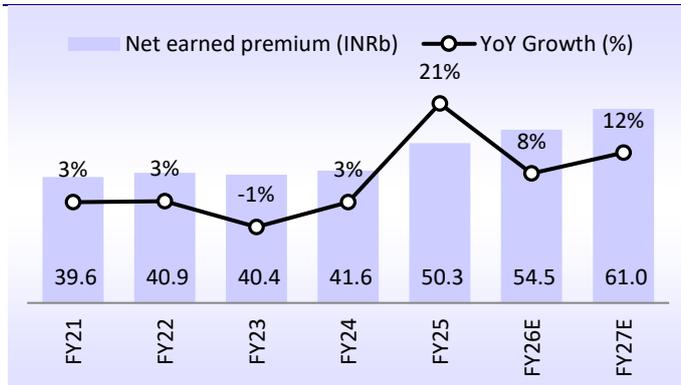
Source: MOFSL, Company

Exhibit 2: Motor TP GWP to clock an 8% CAGR over FY25-27



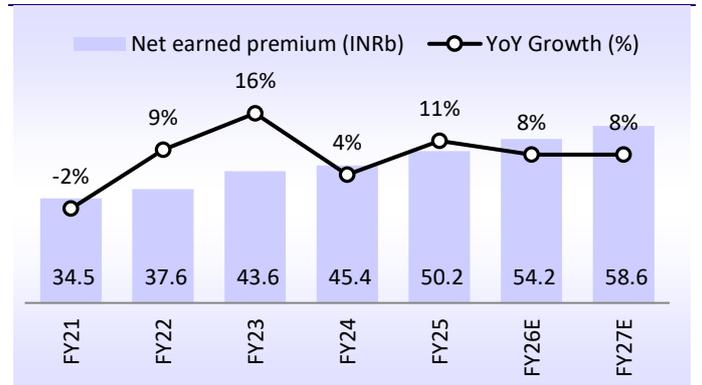
Source: MOFSL, Company

Exhibit 3: Motor OD NEP to clock a 10% CAGR over FY25-27



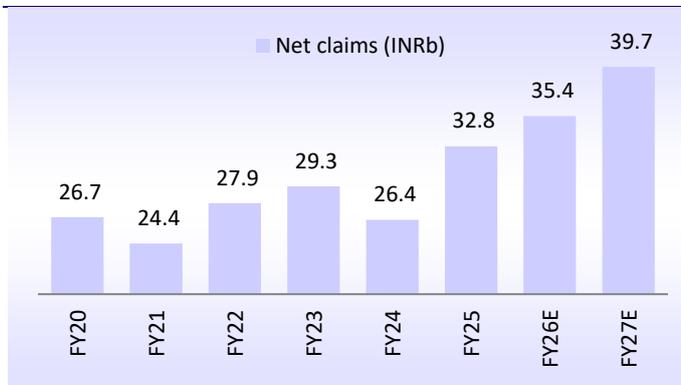
Source: MOFSL, Company

Exhibit 4: Motor TP GWP to clock an 8% CAGR over FY25-27



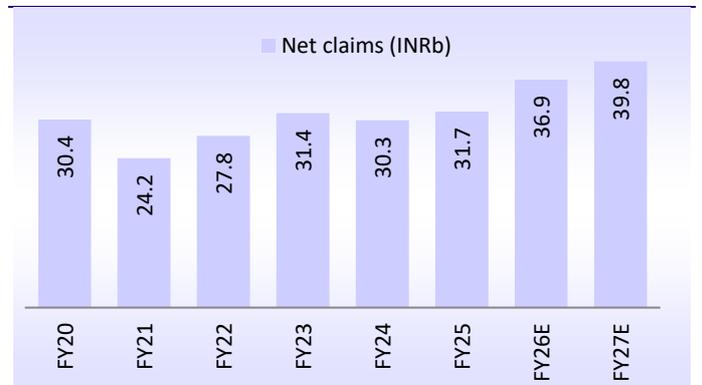
Source: MOFSL, Company

Exhibit 5: Motor OD claims to remain elevated



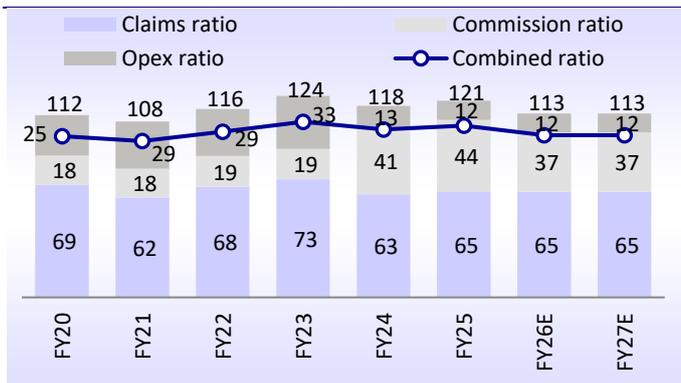
Source: MOFSL, Company

Exhibit 6: Motor TP claims trend



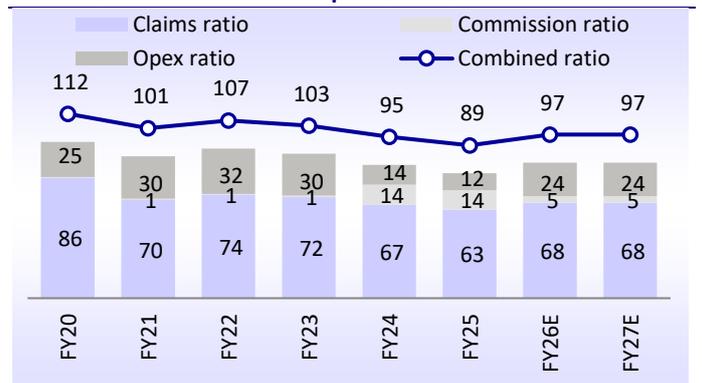
Source: MOFSL, Company

Exhibit 7: Combined ratio rose to 121% in Motor OD



Source: MOFSL, Company

Exhibit 8: Combined ratio improved to 89% in Motor TP

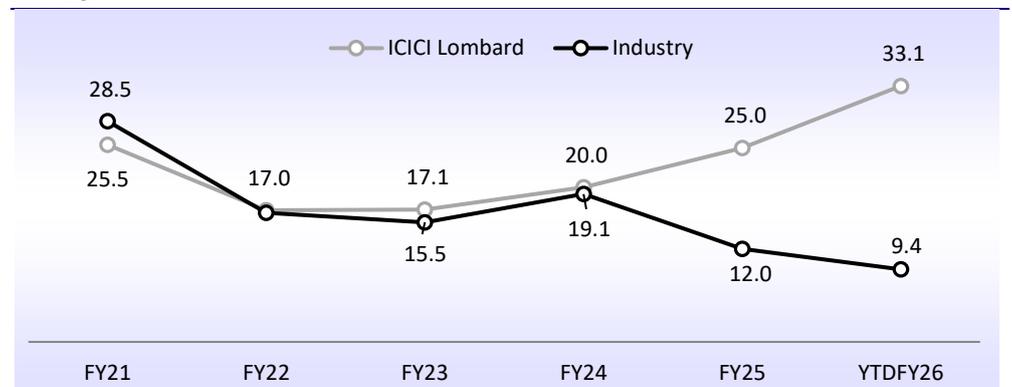


Source: MOFSL, Company

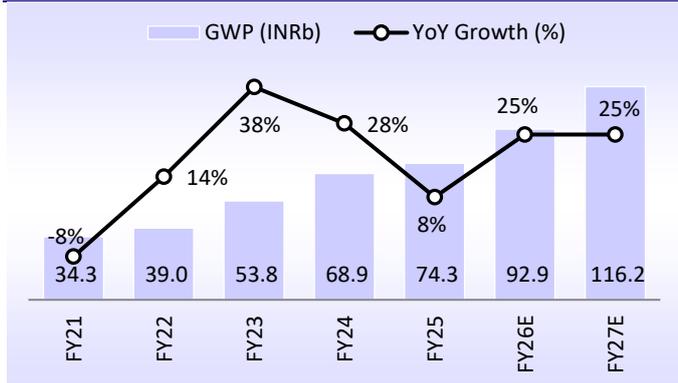
Retail Health: Strong outperformance and innovation-led growth

- Retail Health remained the fastest-growing segment across the industry, with the company delivering 25% growth in FY25 (1/n accounting), significantly ahead of the industry’s growth of 12.1%. This outperformance drove an increase in market share to 3.3%, up from 3.0% in FY24, supported by innovative product offerings and strategic distribution partnerships.
- **Innovative product and distribution tie-ups:** The segment's growth was anchored by the successful launch of Elevate (Jun’25), an AI-powered modular health insurance product, offering industry-first features such as Infinite Care and Power Booster, and comprehensive options like unlimited sum insured, four- and five-year policy tenures, and two-hour hospitalization. Elevate contributed INR5.52b in premiums in FY25, leading to a higher market share. Further strengthening the portfolio, the company launched Activate Booster, a competitively priced super top-up product, in Nov’24.
- A strategic distribution tie-up with Policy Bazaar was executed in FY25 to enhance digital reach. The company also expanded its customer service footprint through the IL Sahayak network, assisting over 90k customers across 56 cities via 2.5k+ hospitals and 120+ Sahayaks.
- **Investments in health distribution:** The company made significant investments in its Health Agency channel, adding over 2k new Feet-on-Street (FOS). This resulted in 40.1% growth in overall premiums (on ‘n’ basis) and 71.3% growth in new health business via the agency channel in FY25.

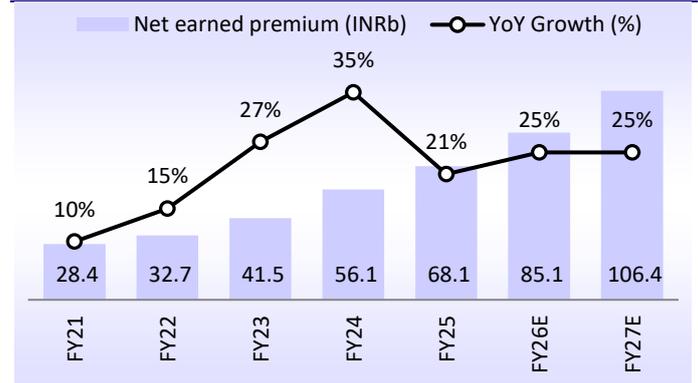
Exhibit 9: Company growth at 25% vs industry growth at 12% in the retail health segment in FY25



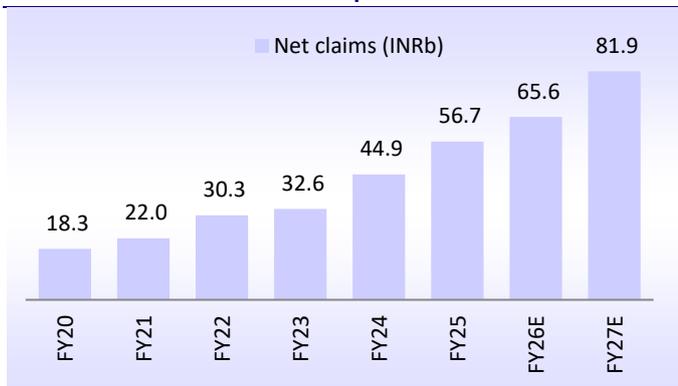
Source: MOFSL, Company

Exhibit 10: Overall health GWP to trend upwards


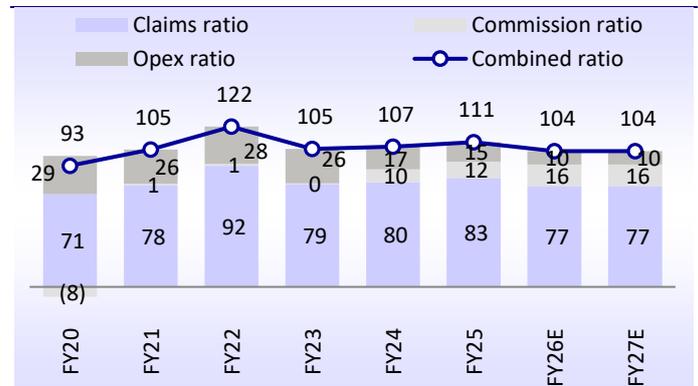
Source: MOFSL, Company

Exhibit 11: Trend in NEP based on overall health


Source: MOFSL, Company

Exhibit 12: Net claims remain upwards


Source: MOFSL, Company

Exhibit 13: Combined ratio rose to 111% in FY25


Source: MOFSL, Company

Crop & Cattle businesses

Crop Business:

- ICICIGI is an active partner in the Pradhan Mantri Fasal Bima Yojana (PMFBY), a flagship initiative by GOI designed to protect India's farmers from crop losses that occur due to natural disasters, pests, or crop diseases. The company expanded its reach to four states in FY25 from one state in FY24, covering ~2.05m farmer applications with ~1.72m hectares of gross cropped area.
- A key milestone of FY25 was the launch of the in-house crop survey mobile application, IL Grameen Sahayak. The app strengthens the company's loss assessment and risk monitoring abilities.

Cattle Business:

- ICICIGI continued to focus on the underserved segment by offering livestock insurance in partnership with dairies, co-operatives, banks, MFIs, and other financial institutions.
- The company secured mandates through competitive bidding in Gujarat and Madhya Pradesh in FY25, covering ~0.2m cattle/livestock.
- The company has made significant investments in technology and process efficiency. Its Cattle Insurance mobile solution, designed for onboarding new customers and processing claims, has emerged as an industry benchmark.

Commercial Lines: Strengthening market leadership

- ICICIGI has strengthened its market share across the commercial lines segment, emerging as the industry leader in Marine Cargo and Liability, and securing the second-largest market share in Fire and Engineering.
- **Fire:** In FY25, with the overall industry witnessing a decline of 5.4%, the company reported a 6.2% dip in commercial lines premium—reflecting broader market pressures. It introduced advanced parametric monitoring solutions that help improve operational efficiency and safety for clients, particularly in high-risk industries.
- **Engineering:** The market share in this segment on a GDPI basis increased to 16.8% in FY25 from 16.6% in FY24, driven by extensive direct engagement and domain-driven expertise.
- **Marine cargo:** With a 20.1% market share, the company secured the first position in the Marine insurance segment in FY25. This leadership was driven by innovation-led offerings under Marine Value-Added Services (VAS), including anti-theft and anti-hijacking programs, temperature-sensitive cargo monitoring, supply chain solutions, and proprietary Marine Loss Control Engineering (MLCE) services.
- **Liability:** The company continued to focus on its liability business. In FY25, the market share stood at 18.7% vs 18.8% in FY24.

Favorable regulatory developments

IRDAI has played a vital role in steering the industry toward innovation, growth, and enhanced consumer protection. In line with its commitment to promote inclusion, safeguard policyholders' interests, simplify customer journeys, and introduce digital innovations, the regulator introduced a series of reforms in FY25.

- These included the **1/n accounting norm**, which requires premiums on long-term products to be recognized as income on a pro-rata basis over the policy period, rather than all at once—leading to improved financial transparency.
- Another key circular included **capping the increase in senior citizen health insurance premium rates to 10% p.a.**, aiming to ensure greater financial stability and affordability for elderly policyholders amid rising healthcare costs and heightened vulnerability.
- The **BIMA-ASBA facility**, introduced on 18th Feb'25 for health insurance policies, requires insurers to provide a one-time mandate for blocking the premium remitted in the customer's bank account through UPI until the proposal is accepted by the insurer. BIMA-ASBA facility enhances the insurance payment process by making it more seamless, transparent, and efficient for policyholders.
- The **Bima Trinity initiative**, comprising Bima Vahak, Bima Vistaar, and Bima Sugam, was unveiled during the year as part of IRDAI's vision of achieving **'Insurance for All by 2047'**. Through this initiative, IRDAI aims to enhance the accessibility and affordability of insurance across the country's diverse population.
- Further, IRDAI is guiding the industry toward **'Insurance 2.0'** with forthcoming reforms expected in accounting standards, risk-based capital, and capital supervision. These initiatives are poised to play a crucial role in narrowing India's prevailing insurance gap, promoting financial security for millions of households, and advancing a more inclusive financial landscape.

Digital initiatives at the core

- Technology and digitalization are pivotal growth levers and integral to the company's core business strategy. The company has launched a multitude of health insurance products leveraging its new core insurance platform, 'Artemis' to enable rapid product development, seamless data exchange, and improved customer experience.
- Enhancements to digital applications like 'Nysa' have improved and automated user journeys, contributing to overall customer experience.
- **Other applications**, such as MyRA Bot, Muse (service CRM), Blaze (rule engine), Plutus (payment system), ESB (covering its API ecosystem), the company's website, and the ILTakeCare App (its one-stop wellness and insurance solution)—have also been successfully modernized.
- The company continues to leverage **Artificial Intelligence and Machine Learning** to drive business solutions. Generative AI-based solutions are intuitively addressing customer needs as well as increasing productivity of employees.
- Responsive Intelligent Assistant (**RIA**)—a combination of voice-based and chat-based BOT—has driven 2x more customer journeys this year compared to last year across the website, call center, and app.
- The company has **migrated the technology stack** from SAP ECC to SAP S/4HANA and transitioned from SAS to the Data Bricks platform for the financial data warehouse. Both upgrades have significantly improved scalability, processing speed, user experience, and computing capacity.
- **Digitalization impacts at ICICIGI:**
 - Of the total policies issued, 99.9% were issued via electronic mode.
 - Downloads on the IL TakeCare App have rapidly increased to 14.9m+ from 9.3m+ in FY24.
 - Of the total cashless authorizations, 73.2% were done through AI for GHI in Mar'25.
 - The digital initiative led to a reduction in the number of days to 5/3 in FY25 from 6/5 in FY24 based on average claims settlements in the Motor OD/Health, respectively.
 - The chat-based BOT drove 2x more customer journeys this year compared to last year.

Marginal expansion in loss ratios on overall basis

- The overall loss ratio marginally improved to 70.6% in FY25 from 70.8% in FY24. Further, the Health loss ratio increased to 85.5% in FY25 from 82.8% in FY24.
- The loss ratio of Motor improved to 64.2% in FY25 from 65.2% in FY24. This was due to continuous improvement in the portfolio mix and efficiency in the claims settlement process.
- The company's Motor TP loss ratio improved to 63.2% in FY25 as against 66.8% in FY24.

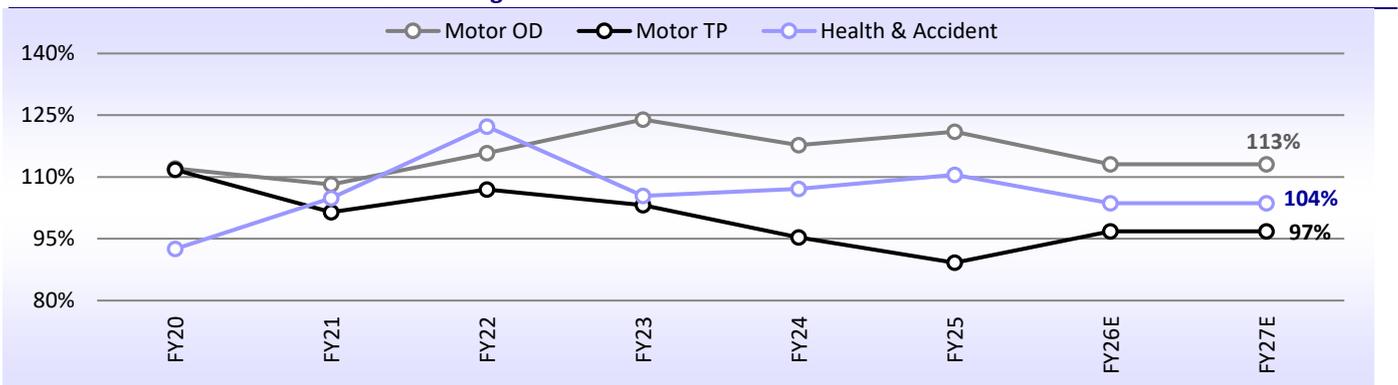
Exhibit 14: Loss ratios across segments

Segment	FY22	FY23	FY24	FY25
Motor - Own Damage	68.1	72.6	63.5	65.2
Motor - Third Party	74	72.2	66.8	63.2
Motor - Total	70.9	72.4	65.2	64.2
Health Insurance	100.5	81.5	81.4	85.5
Crop / Weather	107.9	80.1	88.4	89.2
Marine - Cargo	77.2	71.8	72.7	79.8
Marine - Other than Cargo	117.8	178.7	136.8	71.7
Marine - Total	77.6	72.4	73.4	79.8
Personal Accident	31.9	40.8	53.3	53.5
Fire	53.1	49.3	62.2	46.8
Engineering	69.3	55.1	63.8	36.8
Aviation	89.4	96.1	217.3	87.3
Workmen's Compensation	51.2	66.8	61.2	75.1
Public / Product Liability	59.4	84.4	54.2	40.8
Credit Insurance	85.8	99.6	94	85.1
Others	47.8	57.5	71.9	61.9
Total	75.1	72.4	70.8	70.6

Source: MOFSL, Company

Combined ratio improves to 102.8% in FY25

- On a 9M basis, the combined ratio for the industry worsened to 113.2% for 9MFY25 as against 112.2% for 9MFY24. This was largely due to the Motor segment's combined ratio, which increased to 123.8% in 9MFY25 as against 118.2% in 9MFY24. However, for ICICIGI, it improved to 102.6% in FY25 from 103.3% in FY24 on 'n' basis, driven by a continued focus on driving profitable growth.
- In FY25, the company reported a combined ratio of 102.8% vs 103.3% in FY24. The improvement was due to a marginal improvement in the loss ratio. Excluding the impact of CAT losses of INR0.9b in FY25 and INR1.4b in FY24, the combined ratio was 102.4% and 102.5%, respectively.

Exhibit 15: Combined ratio trends across segments


Source: MOFSL, Company

Valuation and view

- India's Insurance sector is set for long-term growth, driven by favorable demographics, low penetration (1% vs global 4%), rising incomes, increasing awareness—especially in Health—and supportive regulatory reforms aligned with the 'Insurance for All by 2047' vision.
- However, in FY25, the general insurance industry's growth rate remained slow due to: 1) weak infrastructure investments, 2) slow credit growth, 3) regulatory impact, and 3) weak trends in the Motor sales growth.
- Nevertheless, ICICIGI continues to focus on profitable growth across segments, with the Motor business expected to grow in double digits, driven by targeted efforts in older and commercial vehicles, along with improved portfolio segmentation. The Health segment's momentum remains strong, particularly in retail where the company has gained market share and is targeting double-digit growth, supported by new customer acquisition and inflation-linked pricing. Commercial lines saw a weak FY25, impacted by soft fire pricing and sluggish capex. However, early signs of recovery in April fire renewals indicate a potential rebound ahead.
- We have increased our earnings estimates by 3%/5% for FY26/FY27, driven by a decline in expenses. **Reiterate BUY rating on the stock with a TP of INR2,300 (based on 33x Mar'27E EPS).**

Financials and valuation

Income Statement								(INR m)	
Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
GDPI	1,44,882	1,33,128	1,40,031	1,85,624	2,17,718	2,55,942	2,82,577	3,11,469	3,61,709
Change (%)	17.2	-8.1	5.2	32.6	17.3	17.6	10.4	10.2	16.1
NWP	95,385	96,407	1,06,850	1,34,896	1,55,395	1,81,656	2,07,611	2,28,343	2,54,708
NEP	83,753	94,036	1,00,140	1,30,321	1,48,229	1,68,665	1,98,002	2,17,813	2,42,967
Change (%)	21.2	12.3	6.5	30.1	13.7	13.8	17.4	10.0	11.5
Net claims	63,081	68,515	68,708	97,819	1,07,256	1,19,395	1,39,868	1,52,190	1,69,143
Net commission	2,229	3,639	6,009	6,339	4,722	30,890	38,380	42,018	46,595
Expenses	20,139	22,931	27,342	39,201	45,148	28,177	28,409	30,649	33,560
Underwriting Profit/(Loss)	-1,696	-1,049	-1,919	-13,038	-8,898	-9,797	-8,655	-7,044	-6,331
Investment income (PH)	14,011	16,492	21,474	30,978	32,721	28,856	31,324	33,479	37,503
Operating profit	12,315	15,443	19,555	17,940	23,823	19,059	22,669	26,436	31,172
Investment income (SH)	4,743	4,800	5,170	7,061	7,757	8,500	10,642	13,156	15,502
Expenses	1,073	3,272	5,185	8,166	10,454	2,007	98	266	441
PBT	15,985	16,971	19,540	16,835	21,125	25,552	33,213	39,325	46,232
Tax	5,492	5,031	4,809	4,125	3,835	6,366	8,130	9,831	11,558
Tax rate (%)	34.4	29.6	24.6	24.5	18.2	24.9	24.5	25.0	25.0
PAT	10,493	11,940	14,731	12,710	17,291	19,186	25,083	29,494	34,674
Change (%)	21.8	13.8	23.4	-13.7	36.0	11.0	30.7	17.6	17.6

Balance sheet								(INR m)	
Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
Equity Share Capital	4,543	4,543	4,546	4,909	4,911	4,927	4,957	4,957	4,957
Reserves & Surplus	48,662	56,797	69,809	86,188	99,016	1,14,678	1,38,076	1,59,517	1,86,141
Net Worth	53,205	61,340	74,355	91,097	1,03,928	1,19,605	1,43,034	1,64,474	1,91,098
FV change - Shareholders	799	-948	1,630	831	512	2,445	1,818	1,909	2,005
FV change - Policyholders	2,585	-3,338	5,174	2,762	1,621	7,450	4,989	5,239	5,501
Borrowings	4,850	4,850	4,850	2,550	350	350	-	-	-
Claims Outstanding	1,64,256	1,80,074	1,82,845	2,49,752	2,69,166	3,09,541	3,55,972	4,09,238	4,68,438
Other liabilities	1,08,331	1,28,440	1,24,123	1,61,492	1,75,286	1,93,692	1,84,390	2,03,491	2,24,830
Total Liabilities	3,34,026	3,70,418	3,92,977	5,08,483	5,50,862	6,33,083	6,90,203	7,84,351	8,91,872
Investments (PH)	1,68,877	2,04,671	2,34,565	2,98,684	3,33,221	3,73,204	3,97,823	4,45,741	4,99,194
Investments (SH)	53,431	58,595	74,356	89,179	98,583	1,15,869	1,37,255	1,62,165	1,91,659
Net Fixed Assets	4,652	6,765	6,268	5,775	5,640	7,009	8,020	8,120	8,220
Def Tax Assets	3,013	3,063	3,498	3,456	2,653	2,926	1,691	1,521	1,369
Current Assets	1,00,037	96,998	72,013	1,08,463	1,08,734	1,30,730	1,44,539	1,66,220	1,91,152
Cash & Bank	4,016	326	2,277	2,926	2,031	3,346	876	584	277
Total Assets	3,34,026	3,70,418	3,92,977	5,08,483	5,50,862	6,33,083	6,90,203	7,84,351	8,91,872

E: MOFSL Estimates

Financials and valuation

Ratios

Y/E March	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
GWP growth	17.2	-8.1	5.2	32.6	17.3	17.6	10.4	10.2	16.1
NWP growth	21.6	1.1	10.8	26.2	15.2	16.9	14.3	10.0	11.5
NEP growth	21.2	12.3	6.5	30.1	13.7	13.8	17.4	10.0	11.5
Claim ratio	75.3	72.9	68.6	75.1	72.4	70.8	70.6	69.9	69.6
Commission ratio	2.3	3.8	5.6	4.7	3.0	17.0	18.5	18.4	18.3
Expense ratio	21.1	23.8	25.6	29.1	29.1	15.5	13.7	13.4	13.2
Combined ratio	98.8	100.4	99.8	108.8	104.5	103.3	102.8	101.7	101.1
Profitability Ratios (%)									
RoE	21.3	20.8	21.7	15.4	17.7	17.2	19.1	19.2	19.5

Valuations	2019	2020	2021	2022	2023	2024	2025	2026E	2027E
BVPS (INR)	108.0	124.5	150.9	184.9	210.9	242.8	290.3	333.8	387.9
Change (%)	17.2	15.3	21.2	22.5	14.1	15.1	19.6	15.0	16.2
Price-BV (x)	17.9	15.5	12.8	10.4	9.1	7.9	6.6	5.8	5.0
EPS (INR)	21.3	24.2	29.9	25.8	35.1	38.9	50.9	59.9	70.4
Change (%)	21.8	13.8	23.4	-13.7	36.0	11.0	30.7	17.6	17.6
Price-Earnings (x)	90.5	79.6	64.5	74.7	54.9	49.5	37.9	32.2	27.4

E: MOFSL Estimates

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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

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