Care Health Insurance Ltd

Financial Services - Insurance - Standalone Health - Unlisted - ISIN INE119A01028

India's No. 4 health insurer by premium: GWP up 22% to Rs 10,416 Cr in FY26, but a 107% combined ratio cut PAT 92% to Rs 12 Cr; at Rs 152 the stock trades at 5.7x book and 1.45x premium.

INDICATIVE PRICE	MARKET CAP	P/E	P/B
Rs 142.80 (+1.71% today)	Rs 14,221 Cr	1,190.00	5.33

BOOK VALUE / SHARE	EPS	52-WEEK RANGE	LOT / SETTLEMENT
Rs 26.77	Rs 0.12	Rs 143 - Rs 238	500 shares - T+1 working day

About the company

Care Health Insurance Limited (formerly Religare Health Insurance Company Limited) is a standalone health insurer licensed by IRDAI since 26 April 2012 (registration no. 148). It writes retail and group health indemnity, fixed-benefit critical illness, personal accident and overseas travel cover through 277 branches, 4.88 lakh individual agents (4.00 lakh a year earlier), banks, brokers and digital channels, and runs an in-house claims operation across 22,000+ network hospitals. It also operates an IFSC Insurance Office at GIFT City since June 2024. The Board's report ranks the company fourth in the health insurance segment at 31 March 2026, and the MD's letter puts retail health market share at 11.6% (10.8% a year earlier).

FY26 (standalone, Indian GAAP under IRDAI formats; the company has no subsidiaries) was a year of fast top-line growth and a sharp profit squeeze. Gross direct premium rose 21% to Rs 10,031 Cr and gross written premium (including reinsurance accepted) 22% to Rs 10,416 Cr (Rs 11,417 Cr before the IRDAI-mandated 1/n recognition of long-term policies). Net earned premium grew 14% to Rs 7,256 Cr because reinsurance cessions jumped 47% to Rs 2,689 Cr. Net incurred claims rose 23% to Rs 5,051 Cr, lifting the claims ratio to 70% of NEP (65%); net commission was Rs 1,483 Cr (19% of NWP) and operating expenses Rs 1,387 Cr, so the combined ratio was 107% (103%) and the revenue account showed an operating loss of Rs 151 Cr against a Rs 49 Cr profit. Investment income of Rs 695 Cr carried the P&L: PBT Rs 17.8 Cr (Rs 208 Cr), PAT Rs 12.2 Cr (Rs 155 Cr), EPS Rs 0.12 (Rs 1.60), return on net worth 0% (7%).

The balance sheet is sound and growing. Net worth was Rs 2,666 Cr (Rs 2,331 Cr), book value Rs 26.77 a share, solvency 1.68x against the 1.50x floor (unchanged from FY25 despite the loss, helped by a Rs 323 Cr rights issue at Rs 149.04 in September 2025 and Rs 100 Cr of 9.99% subordinated NCDs placed with Aditya Birla Capital on 31 March 2026). The investment book grew 30% to Rs 10,944 Cr (policyholders' funds Rs 8,539 Cr, shareholders' funds Rs 2,405 Cr) yielding 7.3%, with 56% in sovereign/approved paper and infrastructure/housing bonds, 6% in equity and no NPAs. Operating cash flow was Rs 1,902 Cr and cash at bank Rs 522 Cr. India Ratings upgraded the issuer to IND AA-/Stable from IND A+ in January 2026.

Financials (Rs Cr)

	FY25	FY26
Revenue	8,562.00	10,416.00
EBITDA	231.00	34.00
Profit after tax	155.00	12.00
EPS (Rs)	1.59	0.12
Net worth	2,331.00	2,666.00
Debt / equity	0.00	0.04
OPM %	2.7%	0.3%
ROE %	6.7%	0.5%

Revenue CAGR +21.7% - Profit CAGR -92.3% - figures from filed accounts where available; see the verification notes on the website.

Shareholding

Holder	Category	Shares (Cr)	%
Religare Enterprises Ltd (holding company, with nominees)	Promoter	62.94	63.2%
Kedaara II Continuation Fund (GIFT City; Kedaara group, promoter-classified)	Foreign	10.57	10.6%
Trishikhar Ventures LLP (Kedaara; promoter-classified)	Institution	5.28	5.3%
Other Indian promoter-classified holder (balance of Schedule 5A; Kedaara Capital Fund III Continuation under the 2020 SHA)	Institution	5.14	5.2%
Anuj Gulati (former MD & CEO; ESOP shares)	Employee	4.64	4.7%
Others - bank shareholder (not named in report), ESOP holders and individuals	Public	11.02	11.1%

Board and management

Name	Designation	Since

Ajay Kumar Shah	Managing Director & CEO	26 Apr 2026
Manish Vishnu Dodeja	Whole-time Director & COO	26 Apr 2026
Arjun Lamba	Non-Executive Director (signs the accounts for the board)	01 Apr 2025
Abhay Kumar Agarwal	Non-Executive Director	01 Apr 2025
Gurumurthy Ramanathan	Non-Executive Director	01 Apr 2025
Suresh Mahalingam	Non-Executive Director	01 Apr 2025
Sunish Sharma	Non-Executive Director (Kedaara nominee)	01 Aug 2021
Rishiraj Khajanchi	Non-Executive Director (Kedaara nominee)	06 Jun 2024
Malay Kumar Sinha	Independent Director	04 Oct 2018
Nirmal Chand	Independent Director	-
Praveen Kumar Tripathi	Independent Director	-
Upma Goel	Independent Director (Additional)	30 Mar 2026
Ambrish Jindal	Chief Financial Officer	-
Yogesh Kumar	Company Secretary & Compliance Officer	-

MCA registry snapshot

CIN
U66000DL2007PLC161503

STATUS
Active

AUTHORISED CAPITAL
Rs 1,300 Cr

PAID-UP CAPITAL
Rs 995.87 Cr

LAST AGM
23 Sept 2026

LAST BALANCE SHEET
31 Mar 2026

Date	Form	Description	Status
23 Sept 2026	AOC-4	FY26 standalone financial statements adopted at the 19th AGM; filing d	Pending
23 Sept 2026	MGT-7	Annual return for FY 2025-26; due within 60 days of the AGM	Pending
26 Apr 2026	DIR-12	Appointment of Ajay Kumar Shah as MD & CEO and Manish Dodeja as whole-	Approved
31 Mar 2026	PAS-3	Allotment of 10,000 unsecured subordinated NCDs of Rs 1 lakh each (Rs 100	Approved
30 Mar 2026	DIR-12	Appointment of Upma Goel as additional independent (woman) director	Approved
29 Sept 2025	PAS-3	Rights issue allotment of 2,16,48,543 shares at Rs 149.04 (Rs 322.65 Cr)	Approved
06 Aug 2025	MGT-14	AGM resolutions: regularisation of four non-executive directors; Care	Approved

Original filings (AOC-4 accounts, MGT-7 returns, charges) can be downloaded from the MCA21 portal under this CIN for a nominal fee; offer documents are on SEBI's site.

Reports and documents

Document	Type	Period	Where
Care Health Insurance Limited - Annual Report 2025-26	Annual Report	FY26	Download on the website

Strengths

- Scale and growth: GWP of Rs 10,416 Cr (+22%) and Rs 11,417 Cr on the pre-1/n basis (+24%); gross direct premium has compounded ~32% a year from Rs 2,560 Cr in FY21, and the company ranks fourth among health insurers with 11.6% retail market share.
- Distribution depth: 4.88 lakh agents (+22% in the year), 277 branches, 22,040 network providers, a customer app with 1.23 Cr installs (+37%), and claims settled in 1 hour 25 minutes on average for cashless and 4 days for reimbursement; 96.6% claim settlement ratio.
- Solvency and capital access: solvency 1.68x after a loss year, Rs 323 Cr rights issue fully taken up by REL and Kedaara at Rs 149.04, Rs 100 Cr sub-debt placed at 9.99% with Aditya Birla Capital, and board approval for up to Rs 500 Cr of NCDs; India Ratings upgrade to IND AA-/Stable.
- Float economics: the investment book rose 30% to Rs 10,944 Cr yielding 7.3% (Rs 695 Cr of investment income), policyholders' funds grew 44% to Rs 8,539 Cr, and operating cash flow was Rs 1,902 Cr; no NPAs and all debt held to maturity.
- Clean audit and accumulated profits: joint auditors Nangia & Co LLP and S.P. Chopra & Co gave an unmodified opinion with no qualifications, accumulated losses are fully wiped out and the P&L surplus stands at Rs 636 Cr; IBNR reserves were raised

39% to Rs 379 Cr, ahead of claims growth.

- Experienced, aligned leadership: new MD & CEO Ajay Kumar Shah (14 years at the company, built claims, underwriting and risk) and WTD Manish Dodeja (15 years) are internal successors; the Kedaara co-founder and CFO sit on the board; the former CEO still holds 4.66%.
- Rights issue price anchors value: insiders put fresh capital in at Rs 149.04 in September 2025, within 2% of the current Rs 152 board rate, and KFin-administered demat transfers are routine for the ~15.7% held outside REL and Kedaara.

Risks

- Underwriting has turned loss-making: the revenue account swung to a Rs 151 Cr operating loss, the claims ratio rose to 70% of NEP (65%) and the combined ratio to 107% (103%); the Board's report itself cites an underwriting loss of Rs 664 Cr before investment income. Medical inflation and the GST-exemption-led shift to richer covers have outrun pricing so far.
- Profit collapse and demanding valuation: PAT fell 92% to Rs 12.2 Cr, EPS Rs 0.12, return on net worth 0%. At Rs 152 the equity is worth Rs 15,137 Cr, 5.7x book value of Rs 26.77, ~1,250x FY26 earnings (95x FY25 earnings) and 1.45x GWP; there is no dividend and none is planned while the company is 'in the growing phase'.
- Expense ratio stuck at 37% of NWP (EoM 35% of GDP), near IRDAI's ceiling for health insurers: commissions rose 24% to Rs 2,150 Cr gross, and GST that can no longer be set off against input credit after the individual-policy exemption added Rs 133 Cr to opex (Rs 3 Cr in FY25). Shareholders' funds had to contribute Rs 10 Cr towards KMP pay in the revenue account.
- Regulatory overhang from the Saluja ESOP order: IRDAI's July 2024 directions (Rs 1 Cr penalty paid, buyback of 75.7 lakh shares at Rs 45.32 and cancellation of remaining options) stay sub judice on Dr Saluja's SAT appeal; until lifted, every board-level pay decision needs prior IRDAI approval, and variable pay for the new MD and WTD was still awaiting IRDAI sign-off at the notice date. Penalties paid in the year totalled Rs 2.5 Cr.
- Ownership and control uncertainty: REL's 63.2% holding is the asset at the centre of the parent's own governance battles; the board was reconstituted on 1 April 2025, the secretarial auditor records dissenting views by directors and meetings at short notice, and the shareholders' agreement with Kedaara (now ~21% across three vehicles, one in GIFT City) governs exits and an IPO that has not progressed.
- Heavy reliance on reinsurance and reserving judgement: premium ceded jumped 47% to Rs 2,689 Cr (26% of GWP), balances due to other insurers doubled to Rs 1,294 Cr, and UPR is still created at a flat 50% of net written premium; outstanding claims rose 37% to Rs 1,038 Cr. The Ind AS transition from 1 April 2026 is being deferred under a one-year forbearance, so FY27 numbers will not be comparable.
- Tax and legal contingencies of Rs 237 Cr (GST Rs 145 Cr, income tax Rs 92 Cr, up from Rs 199 Cr) are not provided for; a further Rs 13.6 Cr past-service cost from the new Labour Codes hit FY26 and an unquantified wage-code uplift applies from April 2026.
- Dilution continues: 2.17 Cr shares were issued in FY26 and 1.12 Cr employee options plus 2.04 Cr cash-settled phantom units are outstanding; the new CEO and WTD have been promised up to 6.5 lakh more options, and the IRDAI-mandated buyback of 75.7 lakh Saluja shares at Rs 45.32 (far below the board rate) is unresolved.

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