



LONG TERM SUBSCRIBE

IPO Report

10th Oct '25

Snapshot

Company is a private life insurer in India and promoted by Canara Bank (which ranks as the fourth largest public sector bank by total assets in India as at March 31, 2025), according to the CRISIL Report and HSBC Insurance (Asia-Pacific) Holdings Limited, a member of The Hongkong and Shanghai Banking Corporation Limited (“HSBC”) group, whose global reputation as a financial institution adds credibility and brand value to company. According to the CRISIL Report, company’s individual weighted premium income (“WPI”) collected by Company grew third highest amongst bank led insurers between Fiscal 2022 and 2025 and was the second highest year-on-year growth amongst company’s peer Set for Fiscal 2025. According to the CRISIL Report, company had the third highest assets under management (“AUM”) amongst public sector bank promoted led life insurers, as at March 31, 2025.

VALUATION

Company is bringing the issue at price band of Rs 100-106 per share at Mcap/EV multiple of approx. 1.58x on post issue FY25 basis. Company have an established parentage and a trusted brand amplifying customer attraction & have a multi-channel distribution network with pan-India presence. Company have a diversified product portfolio with a focus on customer centricity enabling growth across business cycles. Company have a technology integrated business platform with strong focus on automation and digital analytics leading to prudent risk management framework.

Hence, we recommend “Long Term Subscribe” to the issue.

Price Band (Rs./Share)	100-106
Opening date of the issue	10th Oct '2025
Closing Date of the issue	14th Oct '2025
No of shares pre issue	95,00,00,000 Eq Shares
Issue Size	Rs 2373-2516 Cr
Offer for Sale	23,75,00,000 Eq Shares
Face Value (Rs/ share)	Rs 10/share
Bid Lot	140
Employee Discount	Rs 10/share

BIDDING DETAILS

QIBs (Including Anchor)	50% of the offer (Approx 11,79,75,000 Eq Shares)
Non-Institutional	15% of the offer (Approx 3,53,92,500 Eq Shares)
Retail	35% of the offer (Approx 8,25,82,500 Eq Shares)
Employee Reservation	Upto 1,550,000 Shares
Lead managers	SBI Capital Markets, BNP Paribas, HSBC Securities and Capital Markets, JM Financial, Motilal Oswal
Registrar to the issue	KFin Technologies Ltd

WHAT WE LIKE

Established parentage and a trusted brand amplifying customer attraction

Company was incorporated in 2007 and is promoted by Canara Bank, which holds a 51.00% stake, and HSBC Insurance (Asia-Pacific) Holdings Limited, which holds a 26.00% stake. According to the CRISIL Report, Canara Bank was the fourth largest public sector bank by total assets in India as at March 31, 2025. Company believe it benefit significantly from the strong and well-established brand equity of Canara Bank and the HSBC group, recognized globally for its comprehensive financial services and reputation. Together, both Canara Bank and HSBC India have contributed a significant portion of company’s new business premium, accounting for 82.17%, 83.70%, 80.38%, 72.44% and 53.09% of the new business premium during the three months period ended June 30, 2025, June 30, 2024 and Fiscals 2025, 2024 and 2023, respectively

Multi-channel distribution network with pan-India presence

Company’s suite of products is accessible to both individual and group customers through a diversified distribution network consisting primarily of (i) bancassurance; (ii) brokers and other corporate agents; and (iii) direct sales (including sales on company’s digital platforms).

Long term value creation driven by consistent and profitable financial performance

Company is committed to long-term value creation, driven by a consistent track record of profitable financial performance. According to the CRISIL company was one of the life insurers to report fastest three consecutive years of profit from the first year of operation amongst its Peer Set and were amongst one of the fastest life insurers to generate profits in fifth year of operations. Between Fiscal 2023 and Fiscal 2025, company’s Individual WPI has grown at a CAGR of 14.65%.



COMPANY BACKGROUND

Incorporated in 2007, company have grown into a prominent bank led private player in the Indian life insurance sector as company rank third amongst public sector bank led life insurers in India according to the CRISIL Report, based on the number of lives covered for Fiscal 2025. Company's Annualised Premium Equivalent ("APE") has consistently grown, reflecting its efforts to expand its products and services and increase company's market presence. Company's profit after tax has increased at a CAGR of 13.26% from ₹911.94 million in Fiscal 2023 to ₹1,169.81 million in Fiscal 2025 and was ₹234.13 million in the three months period ended June 30, 2025. Furthermore, company's Embedded Value increased from ₹42,719.35 million as at March 31, 2023, to ₹51,798.61 million as at March 31, 2024, to ₹61,107.40 million as at March 31, 2025 and further increasing to ₹63,526.41 million as at June 30, 2025. Financially, company is well capitalized, with its solvency ratio of 200.42% as at June 30, 2025 that surpasses the regulatory requirement of 150.00% thus indicating company's sound fiscal management and its ability to meet company's obligations. Furthermore, company have provided coverage to 10.51 million lives as at June 30, 2025, demonstrating company's extensive reach and the reliance customers place on company for their life insurance solutions.

Company offer a comprehensive range of life insurance products tailored for both individual and group (i.e., companies, businesses or organizations) customers. Company's offerings primarily include saving and endowment plans, term (pure protection) plans, retirement solutions, group credit life and protection plans and the Pradhan Mantri Jeevan Jyoti Bima Yojana ("PMJJBY"). As on the date of this Red Herring Prospectus, company's product portfolio comprises 20 individual products, seven group products and two optional rider benefits, along with policies under the PMJJBY scheme. Company's products have comprehensive protection, guaranteed income and market-linked growth features. Company also deliver options like multiple payout choices, investment management flexibility and the ability to customize through a breadth of plan and fund offerings, including limited pay annuity plans and over ten fund choices in unit-linked products.

Company's extensive suite of products is designed to meet the specific needs of company's customers at every stage of their lives. This demonstrates company's commitment to customer centricity, enabling company to operate efficiently across varying business cycles, collaborate with a broad spectrum of distribution partners, and serve a diverse customer base, from the mass market to high-net-worth individuals. Furthermore, company's product offerings also enable it to adapt to changes in regulatory environment and minimize concentration risk in particular product categories. Thus, company focus on a balanced product mix, ensuring continuous improvement in value proposition for company's customers and margins. Between Fiscal 2023 to Fiscal 2025, company's participating products, non-participating savings products, non-participating protection products, unit-linked products, annuity plans and group savings (fund based) plans in aggregated contributed 9.32%, 32.00%, 4.23%, 42.53%, 9.07% and 2.85%, respectively to company's APE.

Company was one of the life insurers to report fastest three consecutive years of profit from the first year of operation amongst its peer Set and were amongst one of the fastest life insurers to generate profits in fifth year of operations. Additionally, company's operating RoEV (as defined below) was 19.53% in Fiscal 2025, highlighting its consistent profitability, financial performance and efficiency.

According to the CRISIL Report, in the calendar year 2023, India's life insurance penetration, measured as premiums as a percentage of gross domestic product, stood at 2.80%, which is significantly lower than that of other Asian countries, with life insurance penetration rates in Thailand, South Korea, and Singapore at 3.40%, 5.00%, and 7.40%, respectively. Further, according to the CRISIL Report, at US\$ 70 in calendar year 2023, insurance density (premium per capita) in India remains very low compared with other developed and emerging market economies. Therefore, considering the underinsurance in the Indian insurance market, company believe there is substantial growth potential for life insurance providers like company.

OBJECTS OF OFFER

The objects of the Offer are to (i) to carry out the Offer for Sale of up to 237,500,000 Equity Shares of face value of ₹10 each by the Selling Shareholders and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges.

RISKS

Any termination of, or adverse change in, company's bancassurance arrangements, and in particular its distribution agreement, as amended, with company's Promoter, Canara Bank, or one of company's group companies, HSBC India, or decline in performance standards of company's bancassurance partners, may have a material adverse effect on company's business, results of operations and financial condition.

Source:RHP


SUMMARY RESTATED STATEMENT OF PROFIT AND LOSS ACCOUNT

(SHAREHOLDERS' ACCOUNT/NON-TECHNICAL ACCOUNT)

Financials	FY23	FY24	FY25	Q1FY26
Amount transferred from Policyholders Account (Technical Account)	1695.89	1443.95	1320.49	164.67
Income From Investments	2615.89	2408.77	2340.11	423.53
Total Expenses (B)	1617.66	1170.04	1058.66	162.89
Profit/ (Loss) before tax	998.23	1238.73	1281.45	260.64
Provision for Taxation	86.29	105.56	111.64	26.51
Profit / (Loss) after tax	911.94	1133.17	1169.81	234.13
Share Capital	9500.00	9500.00	9500.00	9500.00
EPS	0.96	1.19	1.23	0.25
RONW %	6.90	8.18	7.97	1.53
Persistency 13th month persistency	75.33	80.73	82.54	84.25
25th month persistency	66.03	68.45	71.53	73.57
37th month persistency	65.13	63.01	64.08	65.67
49^h month persistency	63.25	64.23	60.97	62.16
61st month persistency	51.97	55.43	57.74	58.20
Claim Settlement Ratio	99.11	99.31	99.38	99.38
VNB margin	--	20.00	19.07	19.48
Operating return on EV ("Operating RoEV") Ratio	--	18.48	19.53	15.70
Solvency Ratio	251.81	212.83	205.82	200.42
Total cost ratio	17.36	18.89	18.70	19.59
Operating expenses to GWP ratio	11.62	13.12	12.39	14.09



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