

Date: January 30, 2025

Place: Chennai

Ref: SHAI/B & S/SE/184/2024-25

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Maharashtra, India.
Scrip Code: 543412

To
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra-Kurla Complex
Maharashtra, India.
Symbol: STARHEALTH

Dear Sir/ Madam,

Newspaper publication of Financial Results - December 31, 2024

Further to our letter ref SHAI/B & S/SE/176/2024-25 dated January 28, 2025 regarding outcome of Board Meeting please find enclosed a copy of the extract of the unaudited standalone financial results for the quarter and nine months ended December 31, 2024 published in Business Standard (English Edition) and Dinamani (Tamil Edition).

This disclosure is made in compliance with Regulation 47 and 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

Kindly take the same on record.

The above information is also hosted on the Company's website at www.starhealth.in

Thanking you,

For Star Health and Allied Insurance Company Limited

**JAYASHREE
SETHURAMAN**

Digitally signed by
JAYASHREE SETHURAMAN
Date: 2025.01.30 16:22:29
+05'30'

**Jayashree Sethuraman
Company Secretary & Compliance Officer**

Encl: as above

Copy to:
IDBI Trusteeship Services Limited,
Asian Building, Ground floor,
Ballard Estate, Mumbai-400 001,
Maharashtra, India.

BETTING ON THE BUDGET

Why media and policy circles are abuzz with expectations of big announcements on Saturday

ASIT RANJAN MISHRA
New Delhi, 29 January

Within days of Finance Minister Nirmala Sitharaman presenting her maiden Budget in July 2019, following Prime Minister Narendra Modi's landslide victory for a second consecutive term, concerns about a deeper economic slowdown began to gain momentum. In response, the government announced a series of sector-specific measures, with the biggest highlight being a corporate tax cut to 22 per cent in September that year. It triggered the biggest market rally in a decade.

The current parallels with 2019 are striking. In FY20, economic growth slowed down to 5.1 per cent in the June quarter, the slowest pace in six years, followed by 4.7 per cent in the September quarter. Though the corporation tax cut was introduced to spur an investment-led economic revival, the Covid-19 pandemic ultimately derailed the effort.

With Sitharaman set to present her second Budget in the third term of the Modi government amid an economic downturn and slowing consumption demand, media and policy circles are abuzz with expectations of major announcements on Saturday.

2019 redux?

There are growing concerns about an economic slowdown, reminiscent of 2019, as economic growth unexpectedly decelerated to a seven-quarter low of 5.4 per cent in the September quarter of FY25. While the rural economy is

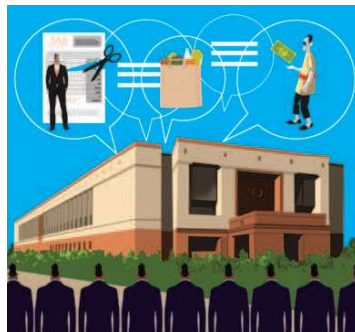


ILLUSTRATION: BINAY SINHA

believed to be on a recovery path, urban consumption is seen as a drag on the overall growth. High-frequency indicators, such as sluggish retail sales, slower non-food credit growth, and declining personal vehicle sales have further supported this narrative.

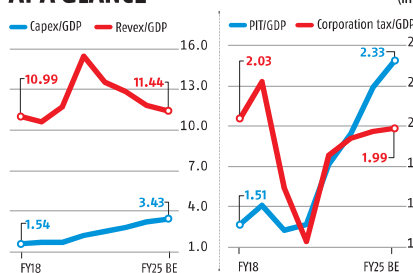
Pronab Sen, former chief statistician of India, says the 2019 episode reflected a huge distributional effect from demonetisation and that showed up in consumption, while this time around it is a distributional effect arising out of the Covid lockdown after the post-pandemic pent-up demand faded. "This distributional effect is going to stay for a while, because what you have now is a situation where the balance between MSMEs and corporations has permanently altered. And everything is going to depend on what the investment intent of corporations are. At the

moment, the corporates seem to be happy to invest at a rate that will give you 6 per cent GDP (gross domestic product) growth," Sen says.

Kunal Kumar Kundu, India Economist at Societe Generale, said in a recent report that India's post-pandemic cyclical upswing had hit a structural barrier. "Persistently weak job creation and anaemic wages lie at the heart of the slowdown, setting the structural limit to growth as weak household balance sheets pull down aggregate domestic demand that experienced short cyclical bursts," he added.

Sen agrees, holding that the 5.4 per cent growth in the September quarter is not an aberration but a return to what should be the normal, which was pretty much the pre-pandemic trend. "The labour income has lost big time. Employment is a

AT A GLANCE



BE: Budget Estimates; PIT: Personal Income Tax; Capex: capital expenditure; Revex: Revenue expenditure
Source: RBI, RS Research

problem, real wages are a problem, and hence one should expect demand to be weak," he says.

In a recent paper by the Centre for Social and Economic Progress (CSEP) titled, "Will consumption revive", economist Renu Kohli said the sharp slide in private final consumption demand in 2023-24 after a two-year expansion following the pandemic appeared similar to a deceleration from 2017-2018 followed by a growth collapse in 2019-2020. "A prolonged decline in consumption expenditure is a serious discouragement for business investments and slows down growth that critically hinges on the twin components (consumption and investment)," she added.

Sen says the capital intensity of the Indian economy has gone up, simply because the bulk of the growth impetus is coming

either from the government or from corporates, both of which have very low labour intensity. "Government spending on capex depends on what you are constructing and who is constructing. If they are constructed by large construction firms, those are mostly mechanised and do not lead to employment generation," he adds.

Policy options

Though the corporate tax cut in 2019 is often criticised as an effort to solve a demand side problem through a supply side measure, the Modi government has opted for more supply side measures, including production-linked incentive schemes and higher capex spending, to revive the economy.

Sen says a corporate tax cut is good in the time of supply constraints, but completely useless

during demand constraints. "The government tried to revive the economy by increasing government investment for three years, but it did not work. Now it has to think differently. In a situation of this kind, the government should be focussing much more on spending on rural development. Unfortunately, that runs into politics, because rural development is mostly in the hands of the states and the issue becomes who should get the political credit," he says.

Therefore, Sen believes, the response this time should be to get MSMEs back on their feet to boost job creation. "You have too many people working in a job that is completely unremunerative. The answer is to facilitate funding for MSMEs for more investment.

This looks like a supply-side measure but works on the demand side," he adds.

Prasanna A, head of Fixed Income Research at ICICI Securities, said that with the government nearing a limit on how much it can spend on capex, as evidenced by the year-to-date spending, the Budget will have a decision to make on how to spend the excess resources available. "The government may be tempted to either increase the existing welfare outlays or introduce some new schemes. But as 2025 is not a major election year, we find that unlikely. With the Eighth Pay Commission set up, (which is) likely to be implemented in FY27 and FY28, there is an organic

spending increase coming through in the subsequent two Budgets. That should limit the incentive for going big in this Budget," he added.

With consumption demand faltering and economic activity slowing, Prasanna believes this may open up space for the government to provide relief on income tax, as its share in overall tax collections has risen sharply from 2.4 per cent in FY19 to an estimated 3.8 per cent in FY25. "The low need for fiscal consolidation (because of the focus shifting to the debt-to-GDP ratio) should be treated as an opportunity by the government to provide some support to the economy. With the limits to capex spending seen over the

last two years and the utility of further welfare spending questionable, the easiest path of fiscal support would be by cutting taxes. We expect the Budget to incorporate tax cuts and still target a fiscal deficit of 4.4 per cent of GDP (for FY26)."

Sen agrees that there is scope for widening the tax slabs. "The problem is, our tax slabs are too narrow and you hit the maximum tax rate pretty early. You can change that structure, but tax rates should not be tampered with," he says.

When Sitharaman stands up to deliver her record eighth consecutive Budget at 11 am on Saturday, the middle class will be watching closely.

The current parallels with 2019 are striking. In FY20, economic growth slowed down to 5.1 per cent in the June quarter, the slowest pace in six years, followed by 4.7 per cent in the September quarter

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STAR HEALTH AND ALLIED INSURANCE COMPANY LTD

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Corp. Office: N/A 148, Acropolis, D-3, Sakthi Kottam, Sakthi, Mysore, Chennai - 600005. Tel: 944 4786000
Website: www.starhealth.in Email: investors@starhealth.in
CIN: L68107TN200512036649 INDIA Registration No. 129

STATEMENTS OF FINANCIAL RESULTS FOR QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2024

Sr No	Particulars	Three Months Ended		Nine Months ended		Year ended
		December 31, 2024 Unaudited	December 31, 2023 Unaudited	December 31, 2024 Unaudited	December 31, 2023 Unaudited	March 31, 2024 Audited
1	Total Income from Operations (Note 1)	3,79,612	3,60,581	11,64,335	10,28,613	15,25,445
2	Net Profit/(Loss) for the period (before Tax, Exceptional and / or Extraordinary Item)	28,696	38,767	86,191	93,913	1,12,885
3	Net Profit/(Loss) for the period before tax (after Exceptional and / or Extraordinary Item)	28,696	38,767	86,191	93,913	1,12,885
4	Net Profit/(Loss) for the period after tax (after Exceptional and / or Extraordinary Item)	21,514	28,956	64,535	70,270	84,501
5	Total Comprehensive Income for the period (Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)	NA	NA	NA	NA	NA
6	Paid up Equity Capital	58,768	58,511	58,768	58,511	58,528
7	Reserves (excluding Revaluation Reserve)	6,43,389	5,61,036	6,43,389	5,61,036	5,75,634
8	Securities Premium Account	6,07,356	6,03,709	6,07,356	6,03,709	6,04,056
9	Net Worth	7,02,000	6,19,328	7,02,000	6,19,328	6,33,924
10	Paid up Debt Capital	47,000	47,000	47,000	47,000	47,000
11	Outstanding redeemable preference shares (Quantity and Value)	NA	NA	NA	NA	NA
12	Debt Redemption Reserve	-	-	-	-	-
13	Earnings per share (face value of ₹ 10/- each)					
	1. Basic (in ₹)	3.66	4.95	11.01	12.06	14.48
	2. Diluted (in ₹)	3.62	4.86	10.85	11.79	14.19
14	Debt Equity Ratio (No. of times)	0.07	0.08	0.07	0.08	0.07
15	Debt Service Coverage Ratio (No. of times)	28.69	38.40	28.89	31.31	28.39
16	Interest Service Coverage Ratio (No. of times)	28.69	38.40	28.89	31.31	28.39

Notes:

- Total Income from Operations represents Gross Written Premium (GWP).
- The Indian Accounting Standards (IND AS) are currently not applicable to Insurance Companies in India.
- The above results for the Nine months ended December 31, 2024 were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on January 28, 2025 and the Joint Statutory Auditors of the Company have reviewed the same.
- The above is an extract of the detailed format of quarterly and year to date Financial results filed with the Stock Exchange under Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure requirements) regulations, 2015. The full format of quarterly and year to date Financial results are available on the website of Star Health Insurance (www.starhealth.in) and (www.bsindia.com) and the Company (www.starhealth.in).

Registration No. and Date of Registration with the IRDAI : 129/16.03.2006

The same can be accessed by scanning this QR Code.



Place: Chennai
Date: January 28, 2025

For And On Behalf of Board of Directors
Sd/-
Anand Roy
Managing Director & Chief Executive Officer
DIN: 08602245

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