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The Health Insurance Specialist

STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

Our Company was incorporated as Star Health and Allied Insurance Company Limited, a public limited company, at Chennai under the Companies Act, 1956 on June 17, 2005 and was granted the certificate of incorporation by the Registrar of Companies, Tamil Nadu at Chennai. Our Company was granted its certificate for commencement of business on December 9, 2005 by the RoC. For details see, "History and Certain Corporate Matters" on page 204 of the red herring prospectus dated November 19, 2021 ("RHP").

Registered and Corporate Office: No.1, New Tank Street, Valluvarkottam High Road, Nungambakkam, Chennai, Tamil Nadu - 600 034, India ; **Tel:** +91 44 2828 8800; **Website:** www.starhealth.in; **Contact Person:** Jayashree Sethuraman, Company Secretary and Compliance Officer; **E-mail:** investors@starhealth.in; **Corporate Identity Number:** U66010TN2005PLC056649; **IRDAI Registration Number:** 129

OUR PROMOTERS: SAFECROP INVESTMENTS INDIA LLP, WESTBRIDGE AIF I AND RAKESH JHUNJHUNWALA

INITIAL PUBLIC OFFER OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹[●] MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹20,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 58,324,225 EQUITY SHARES, INCLUDING UP TO 30,683,553 EQUITY SHARES BY SAFECROP INVESTMENTS INDIA LLP ("PROMOTER SELLING SHAREHOLDER"), UP TO 137,816 EQUITY SHARES BY KONARK TRUST, UP TO 9,518 EQUITY SHARES BY MEMPL TRUST ("PROMOTER GROUP SELLING SHAREHOLDERS") UP TO 7,680,371 EQUITY SHARES BY APIS GROWTH 6 LIMITED, UP TO 4,110,652 EQUITY SHARES BY MIO IV STAR, UP TO 7,438,564 EQUITY SHARES BY UNIVERSITY OF NOTRE DAME DU LAC, UP TO 4,110,652 EQUITY SHARES BY MIO STAR, UP TO 2,509,099 EQUITY SHARES BY ROC CAPITAL PTY LIMITED, UP TO 1,000,000 EQUITY SHARES BY VENKATASAMY JAGANNATHAN, UP TO 500,000 EQUITY SHARES BY SAI SATISH AND UP TO 144,000 EQUITY SHARES BY BERJIS MINOO DESAI (COLLECTIVELY, THE "OTHER SELLING SHAREHOLDERS" AND COLLECTIVELY WITH THE PROMOTER SELLING SHAREHOLDER AND PROMOTER GROUP SELLING SHAREHOLDERS ARE REFERRED TO AS THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES, THE "OFFERED SHARES") AGGREGATING UP TO ₹[●] MILLION (THE "OFFER FOR SALE"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. THE OFFER INCLUDES A RESERVATION OF UP TO [●] EQUITY SHARES, AGGREGATING UP TO ₹1,000 MILLION (CONSTITUTING UP TO [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES ("EMPLOYEE RESERVATION PORTION"). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER SHALL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Risks to Investors

- 5 GCBRLMs, 3 BRLMs and 4 Co-BRLMs associated with the Offer have handled 63 public issues in the past 3 years out of which 21 issues closed below the issue price on listing date.
- The Price/Earnings ratio based on diluted EPS (consolidated) for Fiscal 2021 for our Company is not ascertainable as the EPS is negative.
- Average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹ 47 per Equity Share to ₹ 175.69 per Equity Share and Offer Price at upper end of the Price Band is ₹ 900 per Equity Share.
- Weighted Average Return on Net Worth for Fiscals 2021, 2020, 2019 is 7.79%.

ADDENDUM TO THE RED HERRING PROSPECTUS DATED NOVEMBER 19, 2021 ("RHP"): NOTICE TO INVESTORS ("ADDENDUM")

This is with reference to the RHP of the Company filed with the Registrar of Companies, Tamil Nadu at Chennai ("RoC") read with the corrigendum published on November 25, 2021 ("Corrigendum") in connection with the Offer. Attention of investors is drawn to the following:

1) The RHP on page 417 under "Terms of the Offer - Minimum Subscription" currently states the following:

In case of under-subscription in the Offer, after meeting the minimum subscription requirement of 90% of the Fresh Issue, the balance subscription in the Offer will be met in the following order of priority: (i) through the sale of Offered Shares being offered by the Selling Shareholders in the Offer for Sale; and (ii) through the issuance of balance part of the Fresh Issue.

Pursuant to the resolution of the IPO Committee dated December 6, 2021, the above mechanism has been amended and replaced with the following:

Our Company and the Selling Shareholders have agreed that the Offer Proceeds shall first be utilized towards the Fresh Issue. The balance Offer Proceeds, after full subscription of the Fresh Issue, shall be utilised towards the Offer for Sale.

The RHP and the Corrigendum shall be read in conjunction with this Addendum. The information in this Addendum supplements and updates the information in the RHP and the Corrigendum, as applicable.

Relevant changes will be reflected in the Prospectus to be filed with the RoC, SEBI and the Stock Exchanges.

All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

For STAR HEALTH AND ALLIED INSURANCE COMPANY LIMITED

On behalf of the Board of Directors

Sd/-

Company Secretary and Compliance Officer

Place: Chennai

Date: December 06, 2021

Star Health and Allied Insurance Company Limited is proposing, subject to applicable statutory and regulatory requirements, receipt of requisite approvals, market conditions and other considerations, to undertake an initial public offering of its Equity Shares and has filed the RHP with the RoC. The RHP is available on the website of SEBI at www.sebi.gov.in, website of stock exchanges i.e. NSE at www.nseindia.com, BSE at www.bseindia.com and the website of the BRLMs, i.e. Kotak Mahindra Capital Company Limited, Axis Capital Limited, BofA Securities India Limited, Citigroup Global Markets India Private Limited, ICICI Securities Limited, CLSA India Private Limited, Credit Suisse Securities (India) Private Limited, Jefferies India Private Limited, Ambit Private Limited, DAM Capital Advisors Limited, IIFL Securities Limited and SBI Capital Markets Limited at <https://investmentbank.kotak.com>, www.axiscap.in, www.ml-india.com, www.online.citibank.co.in/rhtm/citigroupglobalscreen1.htm, www.icicisecurities.com, www.india.clsa.com, www.credit-suisse.com, www.jefferies.com, www.ambit.co, www.damcapital.in, www.iiflcap.com and www.sbicaps.com, respectively. Any potential investors should note that investment in equity shares involves a high degree of risk and for details relating to such risk, see "Risk Factors" on page [●] of the Red Herring Prospectus. Potential investors should not rely on the RHP filed with the RoC for making any investment decision.

IRDAI does not undertake any responsibility for the financial soundness of the insurance company or for the correctness of any of the statements made or opinion expressed in this connection. Any approval by the IRDAI under the IRDAI (Issuance of Capital by Indian Insurance Companies transacting other than Life Insurance Business) Regulations, 2015, shall not in any manner be deemed to be or serve as a validation of the representations by our Company in the Red Herring Prospectus. This Offer has not been recommended or approved by IRDAI, nor does IRDAI guarantee the accuracy or adequacy of the contents information in the notice. It is to be distinctly understood that this notice should not in any way be deemed or construed to have been approved or vetted by IRDAI.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws in the United States, and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws in the United States. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to U.S. "qualified institutional investors" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A")) pursuant to Rule 144A or another available exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and (b) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case in compliance with the applicable laws of the jurisdiction where those offers and sales are made. Prospective purchasers are hereby notified that sellers of the Equity Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A thereunder. For the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Red Herring Prospectus as "QIBs".