Go Digit General Insurance

Building scale; Managing volatility

GoDigit hosted its analysts and investor meet to showcase its strategy and progress on (a) green renewals strategy, (b) distribution channel specific strategy, (c) way forward on commercial lines in the rates softening environment, (d) claims management in the motor TP segment, and (e) leveraging tech in multiple business aspects. As one of the new-age, tech-driven multi-line general insurers, GoDigit has emerged as the third-largest GI player (GWP: INR100bn with a formidable 6.7% market share as of Dec-25) and a right-to-win in its flagship motor TP business. We expect GoDigit to continue building its commercial segment presence (+80bps market share gains between FY25 and FY28E) on the back of inroads in the past couple of years, buoyed by a favourable treaty structure. We flag the significant increase in the industry-wide motor OD loss ratio (LR) - GoDigit, which used to command superior OD LR, has seen significant deterioration over the past two years (9MFY26: 72.1%, FY25: 67.8%). We believe the higher LR is on account of aggressive UW practices, higher catastrophic losses, and lower asset value (IDV) on account of GST rationalisation. We expect NEP/PAT to grow at 10%/34% CAGR for FY25-FY28, with the combined ratio (CoR) likely to improve to 107.4% by FY28E (FY25: 109.3%). We maintain ADD with a DCF-based TP of INR350 (36.1x Sep-27E EPS), as we continue to be cautious on likely elevated OD loss ratios.

- **Continued dominance in flagship motor TP business:** GDPI growth in Motor TP has been strong (9MFY26: +15% YoY) following a lacklustre FY25 (+2% YoY). GoDigit is likely to have shed loss-making business in Rajasthan and TN during FY25 and continued to reduce exposure in these states during FY26. On the other hand, GoDigit has strengthened its leadership position (2x ICICIGI) in Karnataka. As highlighted in our insurance thematic, while we draw comfort from early trends in the development of loss ratios in the motor TP segment, given the long-tail nature of claims in the business (~70-75% of claims are reported after 36 months), we opine that the TP book lacks seasoning.
- **Elevated Motor OD loss ratio:** GoDigit had amongst the best loss ratios in the Motor OD segment (FY24: 66.1%) although in the past couple of years, the LR has deteriorated >600bps. Even though higher LR is visible across general insurers on account of higher catastrophic losses and partly due to lower IDV, we argue that the company's LR was impacted by aggressive pricing in private car segments. Although pricing action has been undertaken recently, we believe the LR will take 12-18 months to cool off - but is likely to settle at higher than historical levels.
- **Sustaining growth, better OD LR, and EOM compliance key monitorable:** Post-listing, the GDPI growth rate for GoDigit has come down considerably. Hence, we believe sustaining mid-teen growth is likely to remain a challenge. Further, the deterioration in OD LR has impacted profitability and is being corrected, which will put growth under further stress. Further, we believe increased scrutiny from the IRDAI regarding EOM non-compliance may attract regulatory action.

Financial summary

INR bn	FY23	FY24	FY25	FY26E	FY27E	FY28E
NWP	59.1	77.3	82.3	85.0	96.5	109.2
NEP	51.6	71.0	80.5	83.6	94.5	106.1
PAT	0.4	1.8	4.2	5.7	7.7	10.1
EPS	0.4	2.1	4.6	6.1	8.3	10.9
CoR (%)	107.4	108.7	109.3	110.6	108.4	107.4
P/E (X)	814.6	158.5	71.5	53.8	39.4	30.1

Source: Company, HSIE Research

ADD

CMP *(as on 18 Feb 2026)*	INR 335
Target Price	INR 350
NIFTY	25,725

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 350	INR 350
EPS %	FY26E	FY27E
	0.0%	0.0%

KEY STOCK DATA	
Bloomberg code	GODIGIT IN
No. of Shares (mn)	924
MCap (INR bn) / ($ mn)	307/3,389
6m avg traded value (INR mn)	174
52 Week high / low	INR 381/265

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(6.2)	(6.4)	9.7
Relative (%)	(4.4)	(10.0)	(0.1)

SHAREHOLDING PATTERN (%)	Sep-25	Dec-25
Promoters	73.1	73.0
FIs & Local MFs	14.1	14.3
FPIs	8.5	8.2
Public & Others	4.3	4.4
Pledged Shares	*Nil*	Nil

Source : BSE

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Motor TP dominance continues - superior analytics

GoDigit has challenged industry convention in its flagship motor TP business, adopting a contrarian approach to underwriting (9MFY26: ~36% of GWP and ~45% of NEP). Given that the motor TP segment is tariffed, with no scope for price differentiation (other than bundling with the motor OD segment), our analysis of risk selection suggests early evidence of the company's superior analytics-based underwriting. This is reflected in the company's ability to target profitable states and, hence, its ability to operate at favourable loss ratios.

Significant overlap in geographical risk selection between GoDigit and ICICIGI, reflected in relatively lower exposure to states such as Rajasthan and TN.

Exhibit 1: Industry-wide geographical mix (motor TP business)

Geography	FY21	FY22	FY23	FY24	FY25	Growth FY25
Maharashtra	13.5%	13.9%	14.3%	13.4%	14.8%	18%
Gujarat	8.3%	8.8%	9.0%	8.6%	9.1%	14%
Uttar Pradesh	8.5%	8.5%	8.5%	7.6%	8.6%	23%
Karnataka	7.9%	7.8%	8.0%	7.8%	8.2%	13%
Tamil Nadu	7.4%	7.3%	7.3%	6.7%	7.1%	15%
Delhi	6.9%	6.5%	6.3%	6.3%	7.0%	19%
Rajasthan	5.0%	5.1%	5.4%	5.4%	5.2%	4%
Haryana	4.7%	4.8%	4.9%	4.8%	4.9%	10%
Kerala	5.4%	5.2%	4.9%	4.8%	4.9%	9%
Telangana	4.5%	4.8%	4.9%	4.7%	4.4%	2%
Madhya Pradesh	3.4%	3.4%	3.5%	3.4%	3.6%	12%
Punjab	3.0%	3.2%	3.1%	3.4%	3.1%	-4%
West Bengal	3.1%	3.0%	2.9%	2.7%	2.7%	10%
Andhra Pradesh	3.0%	3.1%	3.0%	2.8%	2.7%	3%
Bihar	2.3%	2.2%	2.1%	2.1%	2.1%	7%
Top 15	**87.0%**	**87.7%**	**88.0%**	**84.6%**	**88.4%**	**12%**

Source: IRDAI, HSIE Research

Both GoDigit and ICICIGI have continued to reduce exposure in TN and Kerala.

GoDigit is 2x ICICIGI in Karnataka in Motor TP business.

Exhibit 2: GoDigit - geographical mix (motor TP business)

Geography	FY21	FY22	FY23	FY24	FY25	9MFY26	Growth FY25	Growth 9MFY26
Maharashtra	19.3%	21.2%	19.7%	18.2%	17.7%	16.9%	0%	11%
Gujarat	17.4%	14.5%	13.0%	12.8%	12.7%	12.2%	3%	11%
Uttar Pradesh	6.1%	7.1%	8.3%	8.2%	10.0%	11.5%	27%	29%
Karnataka	13.0%	13.2%	13.0%	12.1%	12.8%	13.8%	9%	24%
Tamil Nadu	2.2%	3.2%	2.7%	2.8%	1.2%	1.0%	-56%	-4%
Delhi	12.4%	9.5%	8.5%	9.0%	9.0%	8.4%	3%	5%
Rajasthan	2.4%	3.5%	4.7%	5.2%	3.9%	2.9%	-24%	-18%
Haryana	2.8%	4.1%	3.5%	3.1%	2.7%	2.1%	-11%	4%
Kerala	0.5%	1.3%	1.4%	1.4%	1.1%	0.8%	-19%	-26%
Telangana	3.0%	2.8%	2.9%	3.3%	3.0%	3.1%	-4%	18%
Madhya Pradesh	0.0%	0.1%	0.2%	0.4%	0.5%	0.5%	25%	7%
Punjab	4.5%	3.6%	4.0%	4.4%	4.3%	4.8%	2%	26%
West Bengal	5.2%	4.6%	4.1%	3.9%	4.2%	4.1%	9%	18%
Andhra Pradesh	2.4%	2.3%	2.6%	2.6%	2.8%	3.5%	12%	46%
Bihar	2.6%	2.7%	3.1%	3.4%	4.0%	4.2%	24%	22%
Total above	**93.9%**	**93.6%**	**91.8%**	**90.7%**	**89.8%**	**89.8%**	**2%**	**15%**

Source: Company, HSIE Research

Exhibit 3: ICICIGI - geographical mix (motor TP business)

Geography	FY21	FY22	FY23	FY24	FY25	9MFY26	Growth FY25	Growth 9MFY26
Maharashtra	19.0%	17.7%	17.9%	17.4%	18.5%	19.8%	15%	13%
Gujarat	12.0%	11.3%	10.8%	12.0%	12.3%	12.4%	11%	5%
Uttar Pradesh	12.7%	13.7%	13.8%	13.1%	12.5%	12.4%	3%	2%
Karnataka	6.3%	7.6%	5.8%	5.2%	5.1%	4.6%	5%	-5%
Tamil Nadu	5.2%	5.3%	5.1%	4.5%	3.9%	3.5%	-5%	-6%
Delhi	4.9%	4.7%	5.4%	5.5%	7.1%	7.9%	39%	21%
Rajasthan	3.9%	3.7%	3.6%	4.1%	4.6%	4.3%	20%	-8%
Haryana	3.2%	3.5%	4.1%	5.1%	4.3%	4.4%	-8%	7%
Kerala	0.1%	1.4%	1.5%	1.8%	1.4%	0.9%	-19%	-32%
Telangana	3.6%	4.0%	4.3%	4.2%	3.9%	3.9%	-1%	7%
Madhya Pradesh	3.8%	3.1%	2.6%	2.4%	2.1%	2.1%	-3%	0%
Punjab	1.8%	1.7%	1.7%	1.6%	1.8%	1.8%	15%	10%
West Bengal	4.0%	3.7%	4.2%	4.1%	4.2%	4.0%	10%	3%
Andhra Pradesh	3.3%	3.5%	3.5%	3.3%	3.1%	3.1%	2%	5%
Bihar	3.0%	3.0%	3.2%	3.2%	3.0%	3.2%	2%	8%
Total above	**86.8%**	**87.9%**	**87.4%**	**87.4%**	**87.8%**	**88.2%**	**8%**	**5%**

Source: Company, HSIE Research

Exhibit 4: New India Assurance - geographical mix (motor TP business)

Contrary to GoDigit and ICICIGI, NIACL has increased exposure in TN and Kerala.

Geography	FY21	FY22	FY23	FY24	FY25	Growth FY25
Maharashtra	9.2%	8.2%	7.3%	6.8%	6.7%	9%
Gujarat	4.6%	4.1%	3.9%	3.9%	3.8%	7%
Uttar Pradesh	11.1%	11.4%	12.1%	12.1%	11.0%	1%
Karnataka	4.7%	4.8%	4.8%	5.3%	5.7%	21%
Tamil Nadu	10.9%	11.7%	12.3%	13.3%	13.8%	14%
Delhi	2.3%	2.1%	2.2%	2.1%	2.0%	7%
Rajasthan	5.8%	5.5%	5.6%	6.0%	6.9%	28%
Haryana	5.8%	5.5%	5.4%	5.3%	5.3%	11%
Kerala	13.6%	14.6%	14.5%	13.9%	14.4%	15%
Telangana	2.8%	2.7%	2.4%	2.5%	2.6%	15%
Madhya Pradesh	5.8%	6.2%	6.6%	6.8%	6.8%	10%
Punjab	3.5%	3.6%	3.7%	3.4%	3.2%	6%
West Bengal	2.0%	1.8%	1.7%	1.6%	1.4%	-1%
Andhra Pradesh	3.3%	3.2%	3.0%	3.0%	3.0%	11%
Bihar	0.7%	0.7%	0.6%	0.6%	0.6%	9%
Total above	**86.0%**	**86.2%**	**86.2%**	**86.7%**	**87.3%**	**12%**

Source: IRDAI, HSIE Research

On a loss ratio basis, we believe that GoDigit is now similar to ICICIGI (better than the overall industry). However, we flag the deteriorating ULR of the Motor TP segment for GoDigit, as the financial LR is likely to follow the same trend.

Motor TP ratios improved for all major players after FY21, except for New India Assurance (NIA).

Exhibit 5: Loss ratio trends in the motor TP segment

Year	ICICIGI	GODIGIT	TATA	HDFCE	SBIG	BAGIC	NIA
FY18	107.1%	102.1%	77.9%	106.6%	136.2%	69.4%	84.5%
FY19	90.8%	77.3%	75.2%	86.2%	108.6%	64.5%	112.8%
FY20	84.4%	79.5%	85.7%	76.4%	103.7%	64.5%	113.9%
FY21	66.2%	79.5%	81.6%	69.6%	105.3%	78.1%	73.2%
FY22	74.0%	81.3%	74.4%	72.5%	114.2%	71.2%	83.1%
FY23	72.2%	68.6%	67.4%	78.5%	100.1%	77.2%	88.8%
FY24	66.8%	60.5%	62.8%	130.0%	93.9%	78.4%	96.4%
FY25	63.2%	66.6%	77.5%	129.5%	87.4%	71.1%	108.2%
9MFY25	60.1%	65.8%	75.3%	129.2%	87.5%	77.0%	102.4%
9MFY26	63.4%	64.5%	57.1%	132.6%	84.1%	61.2%	107.3%

Source: Company, HSIE Research

GoDigit reported significant increase in TP ULR from FY21 to FY24; financial loss ratio may follow similar trend but would get offset by reserve releases of initial years' book.

Exhibit 6: Motor TP Ultimate Loss Ratio (ULR): GoDigit has witnessed a sharp spike in ULR over FY21-FY24, but remains better than larger peers

Motor TP ULR	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
ICICIGI	110%	119%	101%	97%	86%	108%	80%	71%	79%	81%	78%
GODIGIT	NA	NA	NA	8%	35%	58%	57%	73%	72%	77%	77%
TATAAIG	76%	87%	70%	68%	62%	84%	70%	76%	72%	82%	76%
SBIG	NA	132%	139%	95%	110%	83%	92%	96%	132%	67%	93%
BAGIC	NA	85%	72%	65%	62%	106%	82%	90%	99%	110%	108%
NIA	99%	98%	84%	79%	89%	82%	76%	87%	87%	97%	NA
ACKO	NA	NA	NA	NA	27%	89%	65%	62%	57%	66%	75%

Source: Company, HSIE Research

As highlighted in exhibit below, motor TP loss development tends to take more than three years, as on average ~25-30% of claims have been paid as a proportion of original estimates, and hence we believe that despite favorable loss ratio development initially, overall experience may worsen in the later years. Though GoDigit stands out in this matrix, we remain watchful of the motor TP loss ratio development due to rising ULR and unseasoned books.

BAGIC had favourable claims paid to original loss estimates among the larger players, and reflected in lower ULR till FY19.

Exhibit 7: Motor TP loss development usually takes more than three years

Insurer	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
NIA	47%	48%	44%	36%	30%	31%	36%	NA
ICICIGI	33%	34%	33%	24%	23%	24%	32%	34%
BAGIC	24%	25%	23%	16%	19%	19%	19%	21%
SBIG	54%	37%	32%	20%	21%	23%	28%	31%
TATAAIG	52%	42%	34%	24%	23%	20%	22%	26%
Major Players exc NIA	**40%**	**40%**	**37%**	**29%**	**26%**	**25%**	**29%**	**28%**
GoDigit				7%	17%	2%	10%	34%

Source: Company, HSIE Research

Note: Above ratio is calculated as Cumulative claims paid till 3rd year/ original loss estimates.

Exhibit 8: Motor TP loss development trends for large players - we believe insurers have a transparent review policy

Top Players excluding NIA	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Cumulative paid in 2 years	11%	9%	8%	9%	6%	8%	9%
Cumulative paid in 3 years	33%	30%	22%	22%	22%	25%	28%
Cumulative paid in 5 years	45%	40%	33%	35%	35%		
Cumulative paid in 7 years	55%	50%	42%				
Cumulative paid in 8 years	74%						

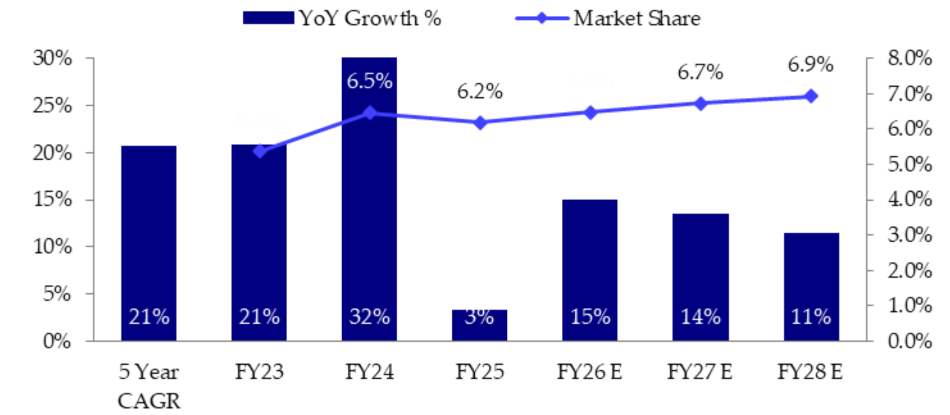
Source: Company, HSIE Research | Top insurers include ICICIGI, BAGIC, SBIG, TATA AIG

Exhibit 9: Cumulative reserve release trends for large players - most of the reserve releases begins after 2 years

Cumulative change in original loss cost	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
End of Year 1	-3.0%	-4.6%	-3.5%	-3.6%	-1.7%	-2.1%	-2.1%	-1.8%
End of Year 2	-5.3%	-8.3%	-8.3%	-5.3%	-3.8%	-5.8%	-5.3%	
End of Year 3	-5.7%	-8.1%	-9.3%	-7.1%	-8.8%	-9.5%		
End of Year 5	-2.8%	-9.9%	-13.3%	-14.2%				
End of Year 7	-0.7%	-6.7%						

Source: Company, HSIE Research, Top insurers include NIA, ICICIGI, BAGIC, SBIG, TATA AIG,
Note 1: Above ratio is calculated as Cumulative claims paid till 3rd year/ original loss estimates.

Exhibit 10: Market share gains likely to continue in motor TP segment



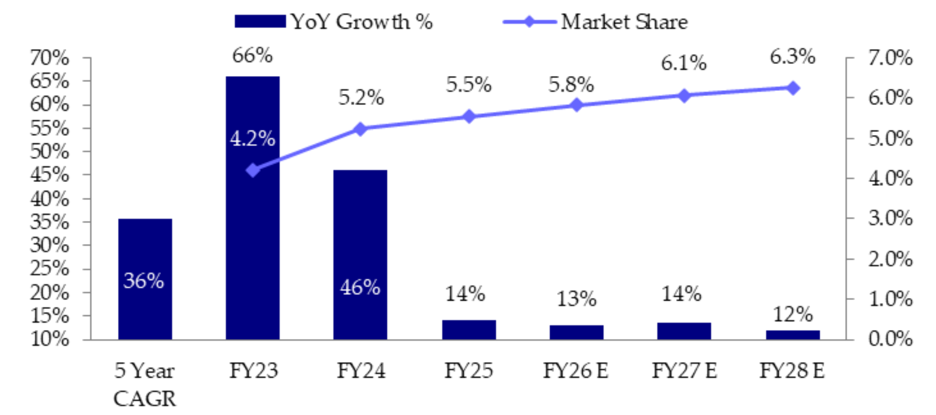
Source: Company, HSIE Research
Note: 5yr CAGR is FY25/FY20

Motor OD growth rebounds; profitability deteriorates

We expect a TP hike in 2HFY27E and continued traction in vehicle sales to aid the industry's growth.

In our **initiation report**, we expected larger market share gains for GoDigit in the motor OD segment, on the back of its comfortable loss ratios (LR) in this segment, which would contribute to a rebound in the TP segment growth. We had expected growth to return on better pricing, with focus on improving renewal retentions. Although renewals across channels saw considerable improvement (3–14%), the growth was primarily volume-led and driven by aggressive pricing, which has since deteriorated further. For larger players, OD loss ratios have gone up significantly during 9MFY26 due to higher NATCAT severity, and lower IDV post GST rationalisation. In the case of GoDigit, we believe that aggressive pricing, in segments such as private car, has also contributed to a higher loss ratio.

Exhibit 11: Larger market share gains in the motor OD segment



Source: Company, HSIE Research, 5 yr CAGR is FY25/FY20

In FY25, GoDigit, which relies heavily on the POSP channel compared to its peers, experienced a slowdown, as reflected in commissions from this channel growing by only ~7% at the motor aggregate level. In contrast, ICICIGI reported ~47% growth, indicating heightened competitive intensity. The GoDigit management indicated that the POSP business is payout-driven, and hence, non-sticky. The company adopted L1 pricing strategy and is now exploring green renewals in the POSP channel. Further, we have seen strong commission growth for insurance marketing firms (IMFs), emerging as a new sourcing channel for motor business, for both ICICIGI and GoDigit.

Exhibit 12: Loss ratio trends in the motor OD segment

Year	ICICIGI	GoDigit	Tata	SBIG	BAGIC	NIA
FY18	53.7%	65.0%	62.1%	78.6%	56.1%	74.2%
FY19	59.2%	71.3%	64.9%	75.9%	60.0%	86.1%
FY20	72.6%	78.2%	70.7%	84.8%	67.7%	82.0%
FY21	62.2%	60.0%	64.6%	70.7%	54.0%	85.3%
FY22	68.5%	73.7%	74.7%	76.3%	65.1%	100.1%
FY23	72.6%	69.3%	86.3%	79.9%	70.5%	109.8%
FY24	63.5%	66.1%	78.6%	74.5%	63.6%	105.8%
FY25	65.2%	67.8%	72.2%	80.2%	65.8%	104.2%
9MFY25	64.1%	66.9%	73.5%	79.8%	66.6%	108.5%
9MFY26	69.1%	72.1%	80.4%	80.4%	73.5%	110.7%

Source: Company, HSIE Research

We analysed the motor portfolio of 4 large private players - GoDigit, ICICIGI, BAGIC, and TATA. We believe ICICIGI runs a relatively prudent portfolio on the Motor business, with a standard TP reserve policy of holding reserves for 3 years.

Further, the commission payout ratio, amongst all players has increased by 3-8% (abs) from FY24-9MFY26, indicating aggressive payouts, as the industry chased higher growth. Distributor payout for GoDigit remains the highest; further, the overall combined ratio (COR) for its motor portfolio has continued to worsen, primarily due to deteriorating LR in both the OD and TP segments. ICICIGI remains the best franchise in the motor segment on a COR basis though there was a moderate impact on GoDigit's COR due to its aggressive payout strategy on long-term Motor policies, which is likely to provide cushion in future years.

Exhibit 13: Loss ratio (LR) trends in the motor segment

9MFY26	Motor OD				Motor TP				Overall			
	GODIGIT	ICICIGI	BAJAJ	TATA	GODIGIT	ICICIGI	BAJAJ	TATA	GODIGIT	ICICIGI	BAJAJ	TATA
Claims Ratio	72.1%	69.1%	73.5%	80.4%	64.5%	63.4%	61.2%	57.1%	67.3%	66.3%	66.9%	63.2%
Net Commission Ratio	42.8%	42.7%	33.3%	15.0%	36.1%	18.7%	20.9%	45.0%	38.7%	30.9%	26.9%	36.0%
Expense Ratio	15.1%	9.7%	20.8%	21.1%	8.0%	9.3%	19.8%	9.7%	10.7%	9.5%	20.3%	13.1%
Combined Ratio	130.0%	121.5%	127.6%	116.5%	108.5%	91.4%	101.9%	111.9%	116.7%	106.7%	114.1%	112.4%
NWP/GWP	92.4%	95.4%	62.4%	43.8%	91.5%	95.7%	57.7%	95.9%	91.9%	95.6%	59.9%	70.6%
Ri Comm/Ri Ceded	45.8%	28.2%	35.8%	1.0%	42.6%	7.1%	47.9%	4.9%	43.7%	18.2%	42.7%	1.3%
Comm/GWP	43.0%	42.1%	34.3%	7.1%	36.6%	18.2%	32.4%	43.4%	39.1%	30.3%	33.2%	25.8%
Expenses/GWP	57.0%	51.4%	47.3%	16.4%	43.9%	27.1%	43.8%	52.7%	48.9%	39.4%	45.4%	35.1%
Change in IBNR/NEP	1.3%	6.4%	-0.2%	8.0%	31.6%	19.5%	16.2%	15.8%	20.2%	12.9%	8.6%	13.8%
Change in outstanding claims/NEP	3.8%	7.5%	3.3%	14.7%	42.5%	28.6%	13.8%	27.2%	27.9%	17.9%	8.9%	23.9%
FY25												
Claims Ratio	67.8%	65.2%	65.8%	72.2%	66.6%	63.2%	71.1%	77.5%	67.0%	64.2%	68.5%	75.8%
Net Commission Ratio	39.6%	44.1%	30.6%	40.5%	34.8%	14.0%	13.6%	32.8%	36.6%	29.3%	21.9%	34.8%
Expense Ratio	15.6%	11.7%	21.0%	23.0%	7.2%	11.9%	19.1%	9.7%	10.4%	11.8%	20.0%	13.1%
Combined Ratio	123.1%	121.0%	117.3%	135.7%	108.5%	89.2%	103.9%	120.0%	114.1%	105.3%	110.5%	123.8%
NWP/GWP	95.9%	95.7%	62.9%	41.0%	95.9%	95.7%	61.4%	95.9%	95.9%	95.7%	62.2%	71.3%
Ri Comm/Ri Ceded	17.5%	15.6%	36.2%	0.6%	5.3%	5.3%	45.0%	9.3%	10.0%	10.5%	40.8%	1.2%
Comm/GWP	38.7%	42.9%	32.6%	17.0%	33.6%	13.7%	25.7%	31.8%	35.5%	28.5%	29.1%	25.2%
Expenses/GWP	53.7%	54.1%	45.8%	26.4%	40.5%	25.1%	37.5%	41.1%	45.5%	39.8%	41.5%	34.5%
Change in IBNR/NEP	-0.1%	0.6%	-0.1%	1.9%	35.5%	13.0%	24.4%	33.1%	22.1%	6.8%	12.6%	23.4%
Change in outstanding claims/NEP	0.4%	0.4%	0.0%	1.6%	45.5%	20.1%	18.3%	43.3%	28.5%	10.3%	9.5%	30.4%
FY24												
Claims Ratio	66.1%	63.5%	63.6%	78.6%	60.5%	66.8%	78.4%	62.8%	62.3%	65.2%	71.8%	67.0%
Net Commission Ratio	33.8%	41.2%	33.5%	34.5%	33.1%	14.3%	6.5%	24.6%	33.3%	27.5%	18.9%	27.8%
Expense Ratio	23.8%	13.1%	17.6%	16.7%	9.5%	14.2%	15.8%	11.6%	14.6%	13.7%	16.6%	13.2%
Combined Ratio	123.8%	117.8%	114.7%	129.8%	103.0%	95.3%	100.6%	99.1%	110.3%	106.4%	107.3%	108.1%
NWP/GWP	95.9%	95.2%	73.8%	55.4%	95.9%	95.5%	74.4%	95.9%	95.9%	95.4%	74.1%	77.7%
Ri Comm/Ri Ceded	28.7%	26.3%	34.9%	1.5%	25.5%	8.5%	52.4%	18.9%	26.6%	17.6%	44.2%	3.3%
Comm/GWP	33.6%	40.5%	33.9%	19.8%	32.8%	14.1%	18.2%	24.4%	33.1%	27.1%	25.4%	22.3%
Expenses/GWP	56.4%	53.0%	46.8%	29.1%	41.8%	27.6%	30.0%	35.6%	47.1%	40.1%	37.7%	32.6%
Change in IBNR/NEP	1.9%	0.8%	0.0%	3.4%	31.9%	9.2%	23.6%	23.9%	22.1%	5.2%	13.1%	18.5%
Change in outstanding claims/NEP	2.6%	0.2%	0.1%	3.3%	40.9%	23.8%	39.1%	40.4%	28.4%	12.5%	21.8%	30.6%

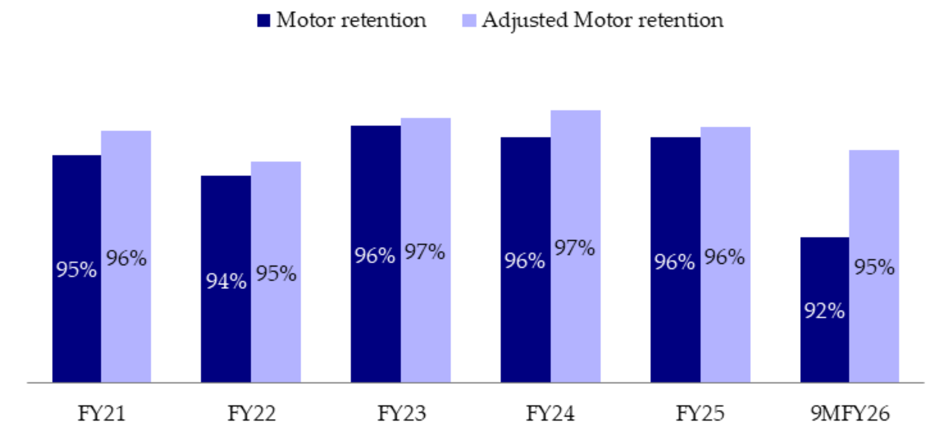
Source: Company, HSIE Research

Our analysis suggests GoDigit and BAGIC will likely witness an inch-up in their reserving during Q4FY26E, as the current trends indicate lower reserving. On the contrary, we believe ICICIGI will likely witness moderation in the reserves held.

Although the GoDigit management has guided for recent course-corrective pricing action in its Motor portfolio, we anticipate only a gradual improvement in the LR. As the motor OD loss ratio is likely to remain elevated in the near term, we expect COR to remain under pressure, and the investment income to remain as a key driver for profitability.

Another notable development for GoDigit during Q3FY26 was on Re-insurance strategy in the motor segment. The company ceded a portion of business from the Motor book, which is contrary to its view of retaining 100% risk on net and the ask for removal of the obligatory cessation. The management articulated that this was transient on account of higher severity from NATCAT events, and there is no loss of float income. The management guided for reviewing this strategy in FY27E, whether the treaty is renewed or not.

Exhibit 14: Revised retention strategy in Motor segment



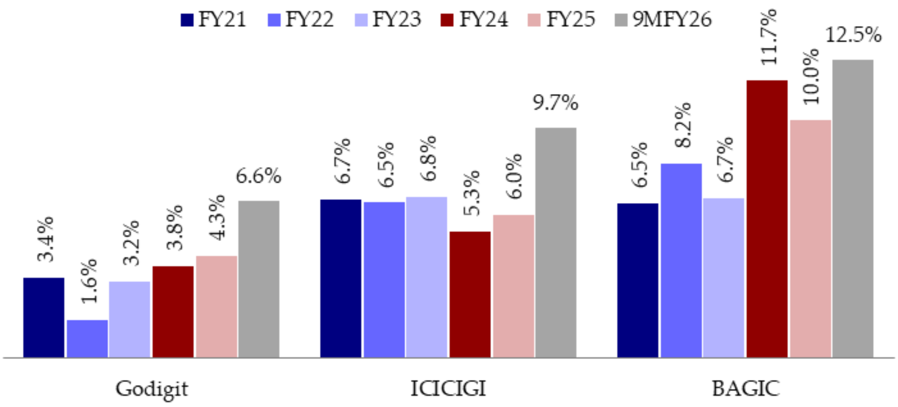
Source: Company, HSIE Research
Adjusted retention= ((NWP+Ri Comm received)/GWP)

Recurring investment income to cushion profitability

Compared to its peers, GoDigit runs a relatively conservative investment portfolio, with lower allocation towards equity (6.6% of investments). While we expect equity allocation to gradually inch up to low double digits by FY28E, our analysis suggests that income accruing from the existing investment book is primarily recurring in nature in the form of interest income and dividends and, hence, is more sustainable. This is contrary to its peers, where capital gains contribute to 15-30% of the overall investment income. We expect GoDigit's investment portfolio to yield ~8% for FY26E-FY28E.

Higher equity allocation by insurers contributing to higher capital gains.

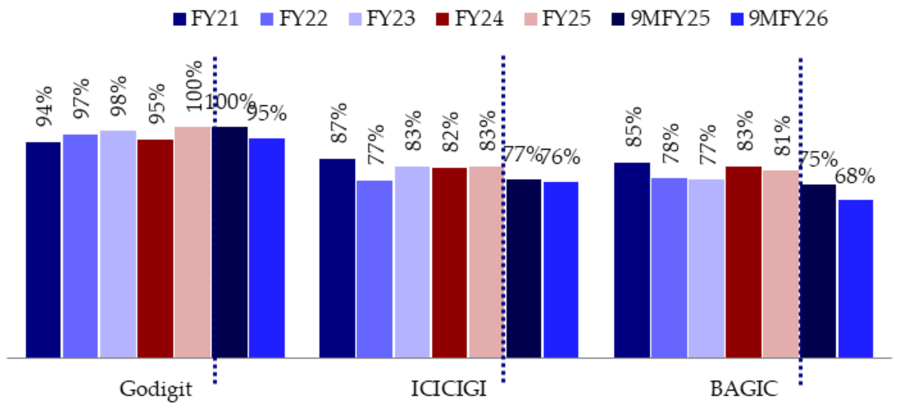
Exhibit 15: The investment book has a substantially lower equity allocation



Source: Company, HSIE Research, Equity excluding allocation to AT1 bonds

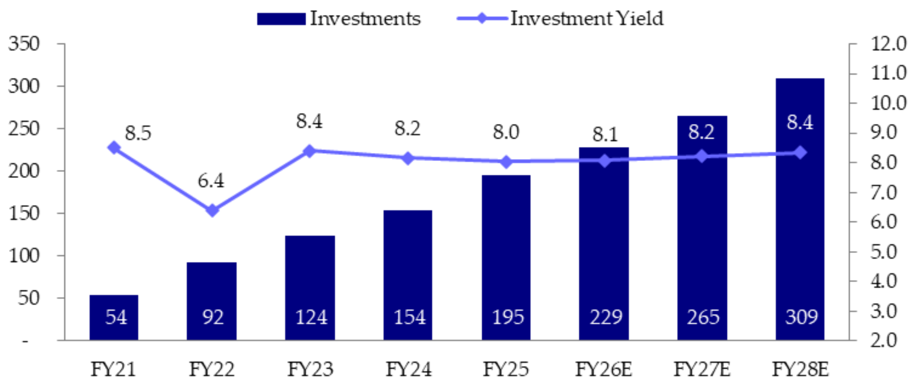
Earnings quality of GoDigit is comparatively superior to larger, private peers ICICIGI and BAGIC, with lower dependence on capital gains in the last few years.

Exhibit 16: Higher share of recurring income from the investment book



Source: Company, HSIE Research

Exhibit 17: Investment book likely to be 2x of FY24



Source: Company, HSIE Research

Valuation and recommendation

As one of the new-age, tech-driven multi-line general insurers, GoDigit has emerged as the third-largest player (GWP: INR100bn, with a formidable market share of 6.7% as of Dec-25) and a right-to-win in its flagship motor TP business. We expect NEP/PAT to see a 10%/34% CAGR over FY25-FY8, with the combined ratio (CoR) likely to improve to 107.4% by FY28E (FY25: 109.3%). We maintain ADD with a DCF-based TP of INR350 (36.1x Sep-27E EPS), even as we remain cautious on elevated OD loss ratios, and likely increased regulatory scrutiny on EOM non-compliance.

We expect GoDigit to continue building its presence in the commercial segment (+80bps market share gains between FY25 and FY28E) on the back of inroads made in the past couple of years, supported by a favourable treaty structure, which allows the company to cede RI Inwards into the treaty. We flag the significant increase in industry-wide motor OD loss ratios. GoDigit, which commanded superior OD loss ratios, has seen significant deterioration over the past couple of years (9MFY26: 72.1%; FY25: 67.8%). We believe the higher loss ratio is on account of aggressive UW practices, increased catastrophic losses and lower IDV on account of GST rationalization.

Exhibit 18: Financial summary

INR bn	FY23	FY24	FY25	FY26E	FY27E	FY28E
NWP	59.1	77.3	82.3	85.0	96.5	109.2
NEP	51.6	71.0	80.5	83.6	94.5	106.1
PAT	0.4	1.8	4.2	5.7	7.7	10.1
EPS	0.4	2.1	4.6	6.1	8.3	10.9
CoR (%)	107.4	108.7	109.3	110.6	108.4	107.4
P/E (X)	814.6	158.5	71.5	53.8	39.4	30.1

Source: Company, HSIE Research

Exhibit 19: Change in estimates

(INR bn)	FY26E			FY27E			FY28E		
	New	Old	Chg %	New	Old	Chg %	New	Old	Chg %
NWP	85.0	85.0	-	96.5	96.7	(0.1)	109.2	109.3	(0.1)
NEP	83.6	83.6	0.0	94.5	94.6	-0.1	106.1	106.2	-0.1
CoR (%)	110.6	110.6	0bps	108.4	108.3	5bps	107.4	107.4	5bps
PAT	5.7	5.7	-	7.7	7.7	(0.2)	10.1	10.1	(0.2)

Source: Company, HSIE Research

Consolidated Income Statement

INR bn	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
GDPI	**24**	**47**	**62**	**79**	**85**	**96**	**111**	**126**
Growth (%)		93.3	31.8	28.9	6.7	13.5	15.0	14.2
NWP	26	42	59	77	82	85	96.5	109.2
Net earned premiums	**19**	**34**	**52**	**71**	**80**	**84**	**94.5**	**106.1**
Growth (%)		75.1	51.7	37.4	13.4	3.9	13.1	12.3
Claims incurred	14	25	35	50	59	61	68	75
Commission (net)	1	2	1	19	22	24	27	30
Operating expenses Insurance Business	9	15	22	11	8	8	9	10
Underwriting profit/(loss)	(4)	(7)	(7)	(9)	(8)	(9)	(9)	(9)
Investment Income	3	4	7	11	13	16	19	23
Shareholder Expenses	(0)	(0)	(0)	(0)	(0)	-	-	-
Operating profit	(1)	(3)	0	2	5	7	11	14
Operating profit margin (%)	(6.3)	(8.7)	0.7	2.6	5.7	8.2	11.3	13.0
Interest expense	-	-	-	0	0	0	0	0
PBT	**(1)**	**(3)**	**0**	**2**	**4**	**7**	**10**	**14**
Tax	-	-	-	-	-	1	3	3
APAT	(1)	(3)	0	2	4	6	8	10
APAT Growth (%)	**(94.9)**	**141.1**	**(111.9)**	**414.7**	**133.9**	**33.0**	**36.7**	**31.1**
EO (Loss) / Profit (Net Of Tax)	-	-	-	-	-	-	-	-
RPAT	**(1)**	**(3)**	**0**	**1.8**	**4**	**6**	**8**	**10**
RPAT Growth (%)	(94.9)	141.1	(111.9)	414.7	133.9	33.0	36.7	31.1
AEPS	**(1)**	**(3)**	**0**	**2**	**5**	**6**	**8**	**11**
EPS Growth (%)	(95.0)	131.5	(111.7)	414.0	121.8	32.7	36.7	31.1
Loss Ratio	**74.0**	**74.0**	**67.2**	**70.3**	**72.8**	**72.4**	**71.5**	**70.9**
Commi.+Expense Ratio	35.4	38.6	40.2	38.4	36.5	38.2	36.8	36.5
Combined Ratio	**109.4**	**112.7**	**107.4**	**108.7**	**109.3**	**110.6**	**108.4**	**107.4**

Source: Company, HSIE Research

Consolidated Balance Sheet

Balance Sheet	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
SOURCES OF FUNDS								
Share Capital	**8**	**9**	**9**	**9**	**9**	**9**	**9**	**9**
Reserves	3	10	15	17	31	43	58	78
Share application money pending allotment	**0**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholders Funds	12	19	24	25	41	52	67	88
Fair Value Change Account	1	1	1	2	2	3	4	6
Long-term Debt	-	-	-	4	4	4	4	4
Short-term Debt	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Debt	-	-	-	4	4	4	4	4
Net Deferred Tax Liability	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL SOURCES OF FUNDS	12	20	24	31	47	59	75	97
APPLICATION OF FUNDS								
Goodwill	-	-	-	-	-	-	-	-
Net Block	**1**	**1**	**2**	**2**	**2**	**2**	**2**	**2**
Investments	54	92	124	154	195	229	265	309
Total Non-current Assets	55	94	126	156	196	230	267	311
Cash & Equivalents	**2**	**1**	**3**	**4**	**2**	**2**	**3**	**3**
Advances and Other assets	3	5	7	10	16	18	20	22
Total Current Assets	**5**	**7**	**9**	**14**	**18**	**20**	**22**	**25**
Current Liabilities	32	58	80	102	129	151	172	193
Provisions	**15**	**23**	**31**	**37**	**39**	**40**	**42**	**45**
Total Current Liabilities	48	81	110	139	168	192	214	238
Net Current Assets	**(43)**	**(74)**	**(101)**	**(125)**	**(150)**	**(172)**	**(192)**	**(214)**
TOTAL APPLICATION OF FUNDS	12	20	24	31	47	59	75	97

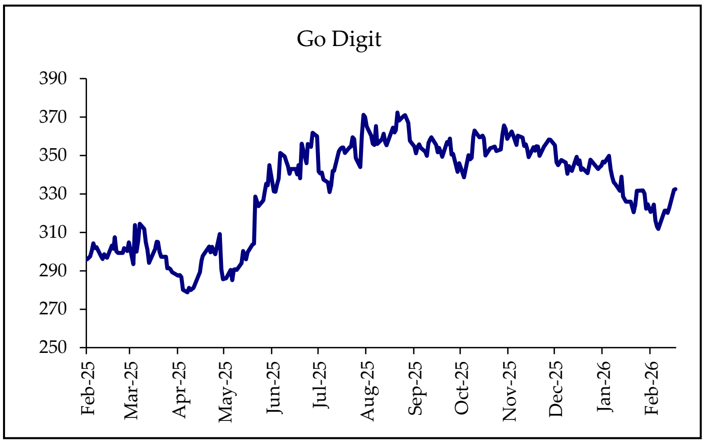
Source: Company, HSIE Research

Key ratios

	FY21	FY22	FY23	FY24	FY25	FY26E	FY27E	FY28E
PROFITABILITY (%)								
Claims ratio	**74.0**	**74.0**	**67.2**	**70.3**	**72.8**	**72.4**	**71.5**	**70.9**
Commission ratio	2.6	3.8	2.4	24.4	27.1	28.5	27.5	27.2
Expenses ratio	32.8	34.8	37.8	14.0	9.4	9.7	9.4	9.3
Combined ratio	109.4	112.7	107.4	108.7	109.3	110.6	108.4	107.4
Investment yield	8.5	6.4	8.4	8	8	8	8	8
Investment Income /NEP	15.9	12.8	14.0	14.8	16.5	19.4	20.4	21.5
ROE	(7.0)	(12.3)	1.1	5.4	10.5	11.4	13.6	15.1
RoCE	(7.0)	(12.3)	1.1	5.2	10.3	11.2	13.2	14.7
EFFICIENCY								
Asset Turnover (x)	1.1	1.4	1.6	2.0	1.8	1.6	1.6	1.5
Claims os/NEP (x)	1.7	1.4	1.1	1.0	1.2	1.2	1.2	1.2
Technical reserves/NEP (x)	1.9	1.8	1.7	1.5	1.6	1.7	1.7	1.7
Investment leverage (x)	3.1	3.9	4.0	4.5	4.8	4.6	4.7	4.6
NWC (ex-cash) (days)	(959.2)	(911.9)	(798.3)	(698.5)	(703.1)	(747.6)	(710.4)	(674.5)
Debt/EBIT (x)	-	-	-	1.9	0.8	0.5	0.3	0.3
Net D/E	(0.1)	(0.1)	(0.1)	(0.0)	0.0	0.0	0.0	0.0
Interest Coverage				30.6	13.4	20.2	31.2	40.6
PER SHARE DATA								
AEPS (Rs/sh)	(1.5)	(3.4)	0.4	2.1	4.6	6.1	8.3	10.9
DPS (Rs/sh)	-	-	-	-	-	-	-	-
BV (Rs/sh)	14.7	22.8	27.7	30.6	46.0	58.8	76.4	99.2
VALUATION								
P/E	(201.6)	(87.1)	742.8	158.5	71.5	53.8	39.4	30.1
P/ABV	20.3	13.2	10.8	10.8	7.1	5.6	4.3	3.3

Source: Company, HSIE Research

Price history



Rating Criteria

BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: >10% Downside return potential

Disclosure:

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