INSTITUTIONAL RESEARCH

HSIE Results Daily

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Results Reviews

- **Go Digit General Insurance:** Go Digit reported a weak set of numbers under the new Ind-AS regime, delivering 1.7% YoY insurance-revenue growth alongside a 31.4% YoY decline in PAT. The PAT miss reflected elevated loss ratios, led by Gujarat flood losses (~INR630mn) and softer momentum across key business lines as the company consciously prioritized profitability over growth. Combined Insurance Service Ratio (CISR) remained elevated at 99.8% (Q2FY26: ~95%), driven by upfront acquisition costs on long-term policies and higher loss ratios in Motor OD and Fire segments. As IRDAI presses forward on its distribution reform agenda, Go Digit appears particularly exposed (FY26: ~40% EoM), signalling meaningful strain on the current operating model. Given the management commentary on softness in motor and commercial lines of business, we build in 6/9% CAGR of insurance revenue/PAT over FY27-29E, with CISR assumptions of 100/101% over FY27/28E as we expect Go Digit to adapt its operating model to the IRDAI's proposals around distribution commission. We maintain ADD with a revised target price of INR300 (43x Sep-28E EPS). Relative valuations appear elevated, driven largely by Go Digit's thin profitability and the shift to new accounting standards (none of the other comparable multi-line players have yet migrated).
- **Data Patterns:** Data Patterns Ltd (DPL) recorded a weak Q2FY27 execution, reflected in 57% YoY revenue degrowth, due to a high base created by an exceptionally strong execution in Q2FY26. EBITDA margin remained subdued at 23.5% due to slower execution, lower revenues, and lower fixed costs absorption. We expect the company to bounce back, as execution improves in H2FY27E, led by a strong orderbook of INR 17.2bn. We estimate a revenue CAGR of 23.5% over FY26-FY29E, based on the orders of INR 27bn in hand (including negotiated and pending receipts) and order pipeline of large platform system orders. DPL is also actively pursuing opportunities in drone and counter drone systems (market size: INR 400bn). Led by above factors and backward integration, we retain estimates of a PAT CAGR of 21.5% over FY26-FY29E. Large platform system orders such as the INR 10bn from HAL, QRSAM, Brahmos seekers orders and progress in counter drone's domain will remain the key monitorable. We have cut FY27E and FY28E EPS numbers to allow for slower execution in H1FY27 but maintained FY29E estimates considering shifting of order receipt and executions to later years. Following this, we maintain ADD rating with a lower multiple 45x (reduced from 55x) as we roll forward to FY29E. Our TP has marginally changed to INR 3,910 (45x FY29E EPS).

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Go Digit General Insurance

Loss ratios spike as contrarian bet takes toll on growth

Go Digit reported a weak set of numbers under the new Ind-AS regime, delivering 1.7% YoY insurance-revenue growth alongside a 31.4% YoY decline in PAT. The PAT miss reflected elevated loss ratios, led by Gujarat flood losses (~INR630mn) and softer momentum across key business lines as the company consciously prioritized profitability over growth. Combined Insurance Service Ratio (CISR) remained elevated at 99.8% (Q2FY26: ~95%), driven by upfront acquisition costs on long-term policies and higher loss ratios in Motor OD and Fire segments. As IRDAI presses forward on its distribution reform agenda, Go Digit appears particularly exposed (FY26: ~40% EoM), signalling meaningful strain on the current operating model. Given the management commentary on softness in motor and commercial lines of business, we build in 6/9% CAGR of insurance revenue/PAT over FY27-29E, with CISR assumptions of 100/101% over FY27/28E as we expect Go Digit to adapt its operating model to the IRDAI's proposals around distribution commission. We maintain ADD with a revised target price of INR300 (43x Sep-28E EPS). Relative valuations appear elevated, driven largely by Go Digit's thin profitability and the shift to new accounting standards (none of the other comparable multi-line players have yet migrated).

- **Widespread miss:** Go Digit posted a subdued PAT at INR1.42bn, driven by a modest GDPI dip (-1.2% YoY) as the company lost market share in the wake of low double-digit industry growth. The all-round miss spanned revenue performance and margin pressures across key business lines (motor OD and commercial lines of business), largely on account of irrational pricing.
- **Motor franchise - prolonged slowdown:** Motor GDPI de-grew 4.1% YoY, well below industry growth (12.4%) even as the company flagged the flattish growth as a conscious call, citing irrational pricing. Interestingly, the loss ratio in the motor TP business on new accounting standards spiked to 58.4% (from 51% YoY), while the motor OD business witnessed an abnormal 920bps spike in loss ratios at 80.3%, under the new accounting standard.
- **CISR breach persists:** CISR slipped 480bps to 99.8%, primarily on intensified NATCAT activity, led by Gujarat-related losses (~INR630mn) and further disruptions from the north-eastern states.
- **Distribution reform overhaul:** IRDAI's draft distribution reforms pose fresh headwinds for Go Digit, given its ~40% FY26 EoM, which will require sharp reductions in commissions and operating spends. This reset could constrain growth for the next few years and force a shift in its operating model as the company might need to add lumpy non-profitable businesses.

Financial summary

(INR bn)	Q2FY27	Q2FY26	YoY%	Q1FY27	FY27E	FY28E	FY29E
Insurance Revenue	27.2	26.7	1.7	26.7	109.0	112.7	123.4
Insurance Service Result	0.4	1.6	-73	1.1	2.1	1.6	5.6
PAT	1.4	2.1	-31	3.8	7.1	5.3	8.4
EPS	1.5	2.2	-31	4.1	7.7	5.8	9.1
CISR (ex-other expenses)	91%	87%		86%	91%	92%	88%
CISR (Incl. other expenses)	100%	95%		97%	100%	101%	98%
P/E (x)					33.5	44.8	28.4

Source: Company, HSIE Research

ADD

CMP *(as on 09 Nov 2026)*	INR 260
Target Price	INR 300
NIFTY	25,045

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR315	INR300
	FY27E	FY28E
EPS%	-	-

KEY STOCK DATA	
Bloomberg code	GODIGIT IN
No. of Shares (mn)	925
MCap (INR bn) / ($ mn)	240/2,559
6m avg traded value (INR mn)	295
52 Week high / low	INR 365/232

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(4.6)	(17.4)	(27.9)
Relative (%)	(7.9)	(22.3)	(25.4)

SHAREHOLDING PATTERN (%)	June-26	Sept-26
Promoters	73.0	72.96
FIs & Local MFs	15.0	16.98
FPIs	8.23	6.58
Public & Others	3.77	3.48
Pledged Shares	Nil	Nil

Source : BSE

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Data Patterns

Strong order inflows but execution weak on a high base

Data Patterns Ltd (DPL) recorded a weak Q2FY27 execution, reflected in 57% YoY revenue degrowth, due to a high base created by an exceptionally strong execution in Q2FY26. EBITDA margin remained subdued at 23.5% due to slower execution, lower revenues, and lower fixed costs absorption. We expect the company to bounce back, as execution improves in H2FY27E, led by a strong orderbook of INR 17.2bn. We estimate a revenue CAGR of 23.5% over FY26-FY29E, based on the orders of INR 27bn in hand (including negotiated and pending receipts) and order pipeline of large platform system orders. DPL is also actively pursuing opportunities in drone and counter drone systems (market size: INR 400bn). Led by above factors and backward integration, we retain estimates of a PAT CAGR of 21.5% over FY26-FY29E. Large platform system orders such as the INR 10bn from HAL, QRSAM, Brahmos seekers orders and progress in counter drone's domain will remain the key monitorable. We have cut FY27E and FY28E EPS numbers to allow for slower execution in H1FY27 but maintained FY29E estimates considering shifting of order receipt and executions to later years. Following this, we maintain ADD rating with a lower multiple 45x (reduced from 55x) as we roll forward to FY29E. Our TP has marginally changed to INR 3,910 (45x FY29E EPS).

- **Q2FY27 highlights:** The revenue stood at INR 1,333mn (-57% YoY), given the lumpiness of order execution and a high base of Q2FY26. Estimated revenue booking of Q2FY27E was shifted to H2FY27E due to specific program timelines which should normalize in the second half of FY27E. We expect the company to catch up in H2FY27E with faster execution as orders at hand are meaningfully higher than earlier. EBITDA was INR 314mn (-54% YoY, margin 23.5%, +120 bps YoY) due to slower execution and lower revenues. APAT accordingly was down by 56% YoY to INR 218mn.
- **Current order book:** The order book for the company at Q2FY27-end stands at INR 17.2bn (49%/15%/18% radars/avionics/AMC) with the split as 43%/36%/21% for production/development/services respectively and the export order book at INR 0.3bn. The order inflow for the quarter was strong at INR 9.3bn (5.5xYoY, 7.8x QoQ), led by radar production orders from BEL for INR 5.9bn, EW orders of INR 1.9bn, and avionics orders of INR 0.8bn. The order book as of date, including orders received as well as the ones negotiated but pending receipts, is at INR 27.0bn. We remain optimistic about company's ability to build strong order book on a steady basis, given its long track record of execution for reputed clients such as MoD, BEL, HAL, DRDO, and others.
- **Strategic acquisition strengthening vertical integration:** The company has acquired Chennai-based ST Advanced Composites specializing in RF-radomes and defence grade structural components for INR 100mn. It enables qualification as an integrated source for electronics plus RF structures for various DRDO programs. It will expand gross margins and reduce dependence on external vendors due to higher in-house manufacturing.
- **Strong order inflows ahead:** The company expects an order inflow of INR 20bn+ for FY27E (HSIE: INR 19bn, H1FY27: INR 10.5bn). Further, the pipeline includes orders from platforms such as LCA Tejas, Su-30 upgrade and QRSAM. We believe the QRSAM orders can slip to FY28E due to procedural delays. The company is active in an AMCA project, developing glass cockpit and management systems. Development of seeker components for Brahmos and various drones and counter drone electronic subsystems form the order pipeline. We are optimistic that order book will grow from INR 9.3bn in FY26 to INR 20.6bn in FY28.

Financial Summary

(INR mn)	Q2FY27	Q2FY26	*YoY*	Q1FY27	*QoQ*	FY25	FY26	FY27E	FY28E	FY29E
Net Revenues	1,333	3,075	*-57%*	1,160	*15%*	7,084	9,248	10,859	13,651	17,404
EBITDA	314	685	*-54%*	314	*0%*	2,750	3,740	4,235	5,283	6,648
APAT	218	492	*-56%*	221	*-1%*	2,218	2,714	3,095	3,857	4,862
Diluted Consol EPS (INR)	3.9	8.8	*-56%*	3.9	*-2%*	39.6	48.5	55.3	68.9	86.8
P/E (x)						101.6	83.0	72.8	58.4	46.3
EV/EBITDA						81.5	60.0	52.9	42.5	33.7
RoE (%)						15.7%	16.7%	16.6%	17.9%	19.3%

Source: Company, HSIE Research

ADD

CMP *(as on 09 Nov 2026)*	**INR 4,025**
Target Price	**INR 3,910**
NIFTY	**25,045**

KEY CHANGES	OLD	NEW
Rating	ADD	ADD
Price Target	INR 3,940	INR 3910
	FY27E	FY28E
EPS Change %	-4.7%	-3.8%

KEY STOCK DATA	
Bloomberg code	DATAPATT IN
No. of Shares (mn)	56
MCap (INR bn) / ($ mn)	225/2,399
6m avg traded value (INR mn)	4,043
52 Week high / low	INR 5,000/2,131

STOCK PERFORMANCE (%)	3M	6M	12M
Absolute (%)	(8.1)	(1.9)	53.8
Relative (%)	(11.4)	(6.8)	56.4

SHAREHOLDING PATTERN (%)	Jun-26	Sep-26
Promoters	42.41	42.41
FIs & Local MFs	11.98	13.0
FPIs	12.50	11.34
Public & Others	33.11	33.25
Pledged Shares	-	-

Source : BSE

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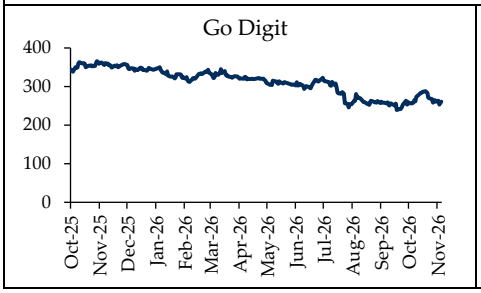
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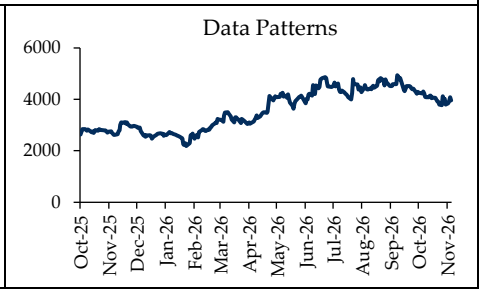
BUY: >+15% return potential
ADD: +5% to +15% return potential
REDUCE: -10% to +5% return potential
SELL: > 10% Downside return potential

Disclosure:

Analyst	Company Covered	Qualification	Any holding in the stock
Krishnan ASV	Go Digit General Insurance	PGDM	NO
Samarth Desai	Go Digit General Insurance	MSc	NO
Amit Kumar	Data Patterns	CFA	NO
Aryan Singh Dalal	Data Patterns	BCom	NO

Price movement





Disclosure:

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