

Date: 29<sup>th</sup> January 2026

To,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort, Mumbai – 400 001  
**BSE Scrip Code: 544179**

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051  
**NSE Symbol: GODIGIT**

**Subject: Transcript of earnings call of the Company for the quarter and nine months period ended 31<sup>st</sup> December 2025**

Dear Sir/Madam,

Pursuant to Regulation 30 and Para A of Part A of Schedule III and Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith transcript of the earnings conference call held on Thursday, 22<sup>nd</sup> January 2026 on performance review of the Company for the quarter and nine months period ended 31<sup>st</sup> December 2025.

The above information is being made available on the Company's website at [www.godigit.com](http://www.godigit.com).

We request you to kindly take the above intimation on record.

Thanking you,

Yours sincerely,

For **Go Digit General Insurance Limited**

**Tejas Saraf**  
**Company Secretary & Compliance Officer**



**“Go Digit General Insurance Limited Q3 and 9M  
FY’26 Results Conference Call”**

**January 22, 2026**



**MANAGEMENT: MR. KAMESH GOYAL - CHAIRMAN, GO DIGIT  
GENERAL INSURANCE LIMITED**

**MODERATOR: MR. ANSUMAN - ICICI SECURITIES**



**Moderator:** Ladies and gentlemen, good day and welcome to Q3 and NM FY'26 Results Conference Call of Go Digit General Insurance Limited hosted by ICICI Securities.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing '\*' then '0' on your touchtone phone.

I now hand the conference over to Mr. Ansuman from ICICI Securities. Thank you and over to you, sir.

**Ansuman Deb:** Good evening, ladies and gentlemen, and thanks, Danish. Indeed, an honor to host the Senior Management of Go Digit General Insurance for their Q3 & 9-month FY'26 Results Conference Call.

I now hand over the call to Chairman – Mr. Kamesh Goyal. Over to you, sir.

**Kamesh Goyal:** Thanks, Ansuman, and good evening, everyone, and thanks for joining.

Let me just start by saying that in December, we had done a very short call explaining the merger between the holding company Go Digit Infoworks with the Go Digit General Insurance Company Limited. Basically, the shares which are held by Go Digit Infoworks are being split into three shareholders, which is Oben Ventures, FAL, and in my individual name. In addition, about 11,69,000 shares, roughly about 0.03% of the shares are being issued at a price of about Rs. 375.10. The price at that time of digit share was ~343. So, this will increase promoter shareholding by 0.03%. Other than that, there is no difference. The management stays the same, both stays the same, and the way the company is managed in terms of between the two promoters, that also stays the same. So, I thought I will just quickly cover that piece for the benefit of people who did not join the call in December.

Now, moving to the deck which has been uploaded, coming to Slide #4:

As you know, this is a usual slide where we give gross return premium, market share in motor and total, which is 3.4 and 6.5. How many products, so in retail now, and even otherwise, we have all kinds of products, 8.1 crore customers, close to 80,000 partners, and AUM now exceed Rs. 22,000 crore for the first time at Rs. 22,509 crore, and the customer satisfaction survey or the Net Promoter Scores (NPS) continues to be quite healthy.

Moving to the next slide, and this is where I will probably spend a bit of more time. If you notice, this is the first time we are actually declaring the combined ratio under IFRS basis. When we say combined ratio under IFRS basis, what it means is that it is on net earned premium basis, not net written basis. Everything else is the same. The only difference is that acquisition cost

which is getting deferred here over the policy premium on period. Similarly, the reinsurance commission which is earned in Indian accounting, that is also upfront accounted for, that is also getting deferred during the policy period. We have not taken any benefit of discounting of reserves here in claims, so the claims ratio would exactly stay the same as IGAAP because both are on NEP basis. Only the expense ratio now moves to NEP basis with the deferment of commission as well as income, which is also in reinsurance getting deferred.

Now, when we look at the premium income, the premium income stood at Rs. 2,500. In Q3, GDPI is about Rs. 2,557 crores compared to Rs. 2,115 crores, which is a growth of 20.9. On a gross written basis, the premium is Rs. 2,909 crores compared to Rs. 2,677 crores, which is recording a growth of 8.7%. Now, the question is why growth on the GWP basis is lower. So here basically, last year we had written a premium of roughly about Rs. 250 crores. Let me get the exact figure, Rs. 254 crores last year, which was a government health business, which was written on an inward facultative basis. This year, this business is only Rs. 38 crores, because we did not accept the government health business in this quarter, the same business which we wrote last year, because in our view, the pricing was not adequate on this basis. So I think that is one point I wanted to speak on the GWP and GDPI difference. And we will cover this later, in GDPI, we have seen growth across all lines of business.

The profit before tax has jumped to 37% to Rs. 163 crores compared to Rs. 119 crores during the previous quarter. Now, the impact of new wage code in this quarter is about one time Rs. 7 crores. So this also is impacting the IGAAP COR by 0.3%. If this was not there, the profit would have actually increased to Rs. 170 crores compared to Rs. 119 crores. Profit after tax now is Rs. 140 crores compared to Rs. 119 crores. I would like to mention here that the Company has now no accumulated losses. The tax rate which we have been calculating from the start of the financial year is roughly about 14%. And we expect even in the next quarter, the tax rate to be 14%. And then from next financial year, the tax rate would move to 25%.

Now, I already explained what the combined ratio is. So if you look at the combined ratio, in Quarter 3 under IFRS basis, the combined ratio is 105, which last year in the same quarter was 106.2. So there is an improvement of 1.2%. And when we look at for nine months, against 106.9, we are at 105.6, which is again an improvement of about 1.3%. So that is something we thought that last time we had declared the DAC figures. But we got feedback that we should start now declaring combined ratio, etc. on that basis. So it gives people ideas to how the profitability is under the IFRS basis.

Now, on IFRS basis, we also give DAC, we had started last time, the pre-tax DAC is about Rs. 2,403 crores. This will obviously benefit the IGAAP books as we go forward, because the future premium will get earned with zero acquisition cost. So this is also something we are again giving the number so that if people who want to reconcile IGAAP to IFRS results, it becomes easier for them. Our advanced premium as of December 31<sup>st</sup>, 2025 is about Rs. 2,949 crores, out of which motor is Rs. 2,605 crores and non-motor is Rs. 344 crores. So when we look at advanced premium of motor, which is Rs. 2,605 crores, and we look at our motor premium for nine months,

on a YTD basis, this is roughly about 7.9%. And when we look at this number, which is declared by other companies, I think this is the highest advanced premium in motor compared to the numbers which we have seen companies which are declaring this. So this again, coming back to why this is happening in our case, is about two-wheeler portfolio primarily. And I will come to that in a lot more detail in a later slide.

AUM as I said, have already increased to Rs. 22,500 crores. And compared to December 31<sup>st</sup>, 2024, this is an increase of roughly \$35.7 billion, savings in Rs. 2800 crores, which is a growth of about 18.8%. Solvency is about 230% against required of 150%, which is good.

New business in two-wheeler only in this Quarter 3 and you will remember that lower GST was introduced from 22<sup>nd</sup> September. Digit is a fairly large player on two-wheeler business. So our two wheeler business only in Q3 grew by 47%, where collected premium in this quarter was Rs. 668 crore against Rs. 456 crores of last year. And this increase of Rs. 212 crore in premium in two-wheeler collected is impacting the P&L under IGAAP by Rs. 84 crores in the quarter. And on the COR, the impact is about 3.9%.

Now this will actually give you an idea why there is a difference primarily just by two wheeler between IGAAP as well as on the IFRS results. So this again is something I think we have been speaking about the impact of two-wheeler business on this, but we thought we will again give the exact numbers for the quarter because two-wheeler sales in Q3 have been very strong.

Now moving to the next slide. Now I think here again, if you look back at GWP growth, I had mentioned that our growth in this quarter Q3'26, you can see in case of health travel and PAs minus 31% on a quarter-by-quarter basis. In motor, OD, TP, fire, others, our growth rate is a significantly better than the industry. But in case of Health, Travel and PA, the industry grew by 28.7% while we de-grew by about 31% essentially because of this reason. Again, just to repeat the numbers, last year we had booked Rs. 254 crores in government health in this quarter. Previous year and this year it's only Rs. 38 crores and management decided not to renew this book in view of the pricing. So if we remove this government health business from last year's base, then our growth on GWP basis also would be about 18.5%.

Now I think we also had a discussion last time during, I think, questionnaire about premium retention. This year, this quarter, you will see that we have also seeded some motor business for the first time, I think, in the recent past. And we had also discussed last time that the exposures in some motor vehicles, for example, two-wheeler electric vehicles, etc., is quite a lot. So this time Company decided to take some motor business reinsurance essentially for protecting the tail risk. This does not impact the AUM because this reinsurance agreement is on a funds withheld basis. So Company is paying a fee for this under the reinsurance arrangement and the fund stay, so there is no impact on the investment income. And again, just to repeat, in IGAAP, the reinsurance cost is upfront provided for, while in reinsurance this would get also deferred along with the premium.

Company also did a small reinsurance session to a direct company on the health portfolio. So that also is, in a way, from ROE perspective, the business is profitable. But on the IGAAP combined ratio, this is artificially reducing the net written premium, both under the motor treaty and also because of this health. But I think IFRS gives a better idea because in both the reinsurance commission as well as commission paid, both get deferred along with the premium which is getting deferred.

In terms of overall business mix, I think this has been quite a quarter for Digit, where in Q3, the motor business has touched 66% compared to 60% of last year, while industry's mix has remained same at 36%. And the reason is that while two-wheeler business grew a lot, motor overall grew decently, but because of this 200 crores impact, slightly more than 200 crore impact on the GWP, also changed the business mix.

Within motor in this quarter, now CV is in all-time low for Digit. So out of 100% of the motor business, private car now is 47%, two-wheeler is 34%, which will be probably the highest motor component amongst all the large companies. And CV is at all-time low of 19%. So I think again, maybe some of you are familiar that about 5 years back, CV used to be like 60%-65% of our motor book. Now this is at 19%. And I think market dynamics and I think our management team's ability then to steer the business in the right cohorts just shows how the mix can substantially change in just a few years.

So secondly, I think we also have our team has also done some analysis to say every increase of 1% in private car mix from two-wheeler will reduce the combined ratio of the company by 0.1%. This is more again from IGAAP perspective, from IFRS perspective, all these don't really make a difference. I am just trying to look at the slide and see if there are any additional points. But if there are any additional questions, we will cover them.

Now moving to the next slide in terms of combined ratio:

Now here you can see that the expense ratio and combined ratio is mentioned separately. And on the top, we have the IFRS combined ratio. And as I already said, the net written premium in this quarter is lower because of some session in group health and some reinsurance arrangement in motor where funds have been withheld, so no impact on investment income. But the net written premium has reduced, which is artificially making the combined ratio in IGAAP look bad, while IFRS, the combined ratio is improving.

Now we have already crossed in nine months last year's total profit. And last year, you would recall that we were not paying any taxes at all. So from that perspective, I think this quarter has been good at Rs. 163 crores of profit and with Rs. 7 crores one-time impact due to wage code, this number would have been Rs. 170 crores.

And moving on, this is our AUM slide. And if you look at AUM, we have crossed Rs. 22,500 crores. Our overall yield on this is about 1.9% for the quarter. So there are no major capital gains

and even if you look at last quarter, our yield on fixed income was about 7.4 on an annualized basis. And this is coming at: 7.5-7.6 on a quarter basis. So investment income continues to be good and AUM also growing on a quarter-by-quarter basis.

Now, if you can look at the bottom figures, we have now as of 31<sup>st</sup> December, unrealized gains of Rs. 686 crores, out of which equity portfolio had 403, while other than equity have unrealized gains of Rs. 283 crores. So in 9 months, we have added close to about Rs. 2,750 crores and about Rs. 3,500 crores in the last 12 months.

Moving on to the asset allocation side. I have already said that our equity is about 7.4, I think it was 7.3 in the last quarter. And we continue to have decent Additional Tier-1 (AT1) bonds and fixed income portfolio continues to be good. Again, as we have discussed in the past, solvency of the company is 230%, equity allocation is 7.4. And you would remember that in the last 12 months, we have actually almost doubled, close to double our equity allocation. And we have still some unrealized gains. So I think as and when market offers the opportunity, our equity allocation will go up. If market goes up substantially from here, we still have 7.4% of equity allocation. So I think on the asset allocation side, I would say now we are in a spot where irrespective of how the market moves, we will see an opportunity to invest if it drops.

Now, moving on to loss ratios:

Now, when we look at the loss ratios, most of the loss ratios are totally in line. But one area where loss ratio has increased in this is motor OD. Now, if you look at motor OD Q4 last year, which is January '25 to March '25, a loss ratio of 70.5. And this quarter, it has increased now to 75.6%. You would have seen that this is happening across companies. Now, there are two reasons why this has happened. One reason is that there has been a drop in average ticket size in motor due to a bit of price competition, which is impacting the loss ratio. Secondly, in our case, because our renewal book is now substantial. This year, in the last, I would say from January till about September- October, we were also very focused on increasing the renewal retention across channels. Our sense is in terms of when we exchange numbers with in terms of aggregators or OEMs, or even an agency, I think our premium and policy renewal ratio is very good. So, just from a perspective that our renewal ratio with the book is substantial, we delayed a bit of a correction in the pricing. Some pricing correction already happened in October. Some has happened in January. And this issue only pertains to private car. Two-wheeler and commercial vehicle, own damage loss ratios continue to be very stable. And we feel that in the next two quarters, this is also something which will stabilize with the actions which have broadly been taken. Other than that, I would say loss ratios are more or less stable in case of all other lines of business. Now, going further, and in loss ratios, there will always be some large claims, etc. So, the loss ratios in a quarter can look up. But if you look at on a gross loss ratio basis, our reinsurance treaties and our gross loss ratios continue to be very decent. And then when we look at our overall combined ratio basis, each of the commercial line of business are fairly profitable.

Now, moving further, now coming to the IFRS earning. Now, when we look at this IFRS earning, I also already explained that combined ratio doesn't take any benefit of the discounting of reserves. And overall, if you look at IFRS profit, the way we look at internally, as I explained last time, is to basically look at IGAAP profit, which is Rs. 459 crores, plus deferred acquisition cost, which is Rs. 322 crores. So, one reaches a number which is Rs. 781 crores. And on Rs. 781 crores, if one takes a tax of 25% on a fully tax basis, that will give you an indication what the profit of the company is without taking into account any mark to market movements or any discounting on reserves. Because internally, that is how we look at our profitability and that is how the IFRS combined ratio has been calculated.

Now, net worth obviously is a lot more, you can see the net worth here is Rs. 7,800 crores, while the net worth under Indian IGAAP is about Rs. 4,400 crores. So, we actually have almost 80%-75% more capital in IFRS and that is the reason why the ROE on this base looks much lower, but solvency is calculated on the net worth of IGAAP. So, when the profit, the way I explained, 459 plus 322, 781, multiplied by 0.75 and then you have to divide this with the IGAAP network. And we should not confuse the IFRS network with the risk-based capital, because solvency, as and when the risk-based capital comes, that could actually be different than from IFRS. We don't expect IFRS network to actually become the basis for solvency. And if that happens, we will actually have Rs. 3,200 crores of additional capital, which will be good to have, but we don't expect RBC to develop in that direction.

So, that is really from me in the call. We will be now more than happy to answer any questions that you may have.

**Moderator:** Thank you so much, sir. Ladies and gentlemen, we will begin with the question-and-answer session. Our first question comes from the line of Sucrit D. Patil from Eyesight Fintrade Private Limited. Please go ahead.

**Sucrit D. Patil:** Good evening to the team. I have two questions. As Go Digit continues to expand its core retail and SME insurance offerings, how do you see the product mix evolving over the next 2 to 3 years, particularly in balancing traditional motor and health portfolios with your digital first products? And what role will partnership and technology play in strengthening customer acquisition and retention in this growth phase? That's my first question. I will ask my second question after.

**Kamesh Goyal:** So, I think we have been saying in the past that we don't drive ourselves from a prospective or an ideal product mix or a channel mix because we don't know what is good at that time. And I already explained, I think, that if you look at commercial vehicles, our commercial vehicle percentage in motor portfolio would have actually become half maybe in the last two years itself or maybe even less. And if you go back to 4-5 years, then it would now be one third. So, product mix can change very, very fast. Again, I think another example is in group health. The Company let go about 220 crores of premium, which is roughly 7% of the total premium for the quarter because they did not find the pricing right. So, we actually feel that product mix in our case and



channel mix is determined more by the market dynamics, where we feel there is an opportunity, then we try and grow and where we feel there is no opportunity, then we don't grow there or we even let go market share. Assuming tomorrow, say from April onwards, commercial vehicle business becomes less competitive, then that component can actually go up. So, this is something we don't drive ourselves at all on that basis. And because we don't know what the market dynamics will be and if we don't know, then we don't assume that because it is good today, it will remain good after 3 months or 6 months also.

**Sucrit D. Patil:**

Okay, my second question to finance, again a forward looking one. With strong solvency margins and a growing customer base, how are you planning to sustain profitability while managing claims volatility and funding costs? And looking ahead, how do you see digital efficiencies and disciplined capital allocation shaping ROE and long-term resilience in the coming quarters? Thank you.

**Kamesh Goyal:**

Well, I think I would say this is relatively easy to answer. If you look at digitization and our business model, the best example of that from the numbers is the management expenses as a percentage of GWP. I think our management expenses are 7% to GWP, which is by far best in class. I think the nearest competitor would be above 9.5%. So, the benefit of digitization and this is something which is continuing. I have said in the past that we are very conscious that this benefit has come because the Company has continuously invested in tech capabilities and digital capabilities and Company continues to invest on that front. I think when we look at from a capital allocation perspective at 230% solvency margin, if we move, for example, to 12.5% of our AUM in equity, and you would have a market drop of 20% in the equity market, our solvency, and I am giving a rough calculation, I have not calculated it, would still be north of 180%. So, there are two ways we will use this capital. One obviously is towards a more balanced asset allocation because we are really biased as of now towards fixed income, and second is can we take more retention in risk where the profitability is most. For example, in large property risk, the loss ratios are always lower compared to the SME risk. Now, can we retain more business here because solvency is stronger here. So, capital is always allocated between either underwriting or on the investment side and that is how we see capital allocation in a non-life company, especially in digit.

**Sucrit D. Patil:**

Thank you for the guidance and I wish the entire team best of luck for the next quarter.

**Kamesh Goyal:**

So, we don't know what will happen the next quarter and I think I will say that since the time we have started doing our roadshows for the IPO, we actually don't give any guidance because we don't know whether there will be an earthquake or there will be a flood or suddenly in December, we saw a large amount of claims, especially due to fog, which happened suddenly. We do some travel insurance business also. We saw a big uptick in December and November during the Indigo price crisis during our claims. So, it is very, very difficult for us to guess this, but we have covered this in the past that if you go back to year 2023, if I remember, when we had some nat cat events and also some large losses, even at that time on the entire portfolio, the volatility on the entire loss ratio was much, much lower. So, this volatility can be there on a quarter-to-

quarter basis, but with our sort of NEP, I think this is something which for the year will be a lot less volatile than it will be on a quarter-to-quarter basis.

**Sucrit D. Patil:** Thank you very much.

**Kamesh Goyal:** Thank you.

**Moderator:** Thank you, sir. Our next question comes from the line of Supratim Datta from Jefferies. Please go ahead.

**Supratim Datta:** Thanks for the opportunity. My first question is on the retention. Now, the retention has been coming down and Kamesh, you were very helpful in explaining how some of the strategies have changed, particularly in motor and even on the health side. I just wanted to understand what drove this strategic change wherein you thought that you should be feeding more on the motor line, particularly with respect to long tail risk, given our understanding was that your underwriting is the best in class or at least amongst the best. Hence, retention and retaining more risk was the way forward. Now that you are reinsuring more, just wanted to understand what's driving this shift? That would be one. Secondly, when I look at the IFRS accounts, you called out around Rs. 80 crores impact due to the two-wheeler business and the growth in the two-wheeler business. However, when I look sequentially, the deferred acquisition cost has only gone up by around Rs. 20 crores. It's somewhat around Rs. 118 crores for this quarter. So just wanted to understand, is there any other difference when we are looking at the deferred acquisition cost (DAC) it's not moving that much. So what's resulting in this dichotomy? Just wanted to understand that. Those were my two questions. Thank you.

**Kamesh Goyal:** Okay. I think when you look at retention and risk, you would remember that we always said that we want to retain more if our loss ratios are good, because this helps us in having more AUM or higher leverage, which actually drives the ROE. Now, when you look at motor example, because the premium is on a withheld basis, it is not impacting our investment leverage at all. And what has changed in this is that in the last two floods, which we have seen, the recent one in one in Chennai and one in Calcutta, what we have seen is that electric vehicles can actually have like very, very high total loss comparison compared to the, I would say, petrol two wheelers. So that is more like a tail risk, because as I already said that our market share in two-wheeler is very high. And in certain locations, we probably would be number one or number two player. So the two wheeler business is increasing a lot in some locations, the number of two wheelers we are writing is very high. So I think management decided that we could actually take some, it's like a tail risk option we have got, that in case something goes really wrong, that we have some protection. Now, this is something which would change. For example, if we wait for another three quarters, because the monsoon season will typically start from July. And we see slightly different outcome or if more technology or better technology comes where electric vehicles can be better repaired. As an example, this would change. So there is still a small cost, which one has taken more from a tail risk protection. On the DAC side, I think in third quarter, our DAC have increased by about Rs. 120 crores. And I think on the debt side, if you have more detailed

questions in terms of development, you can always connect with us offline because I think every quarter number we might not have immediately with us right now, Supratim.

**Supratim Datta:**

No problem. Kamesh, just one last question. You said, you have the CV proportion of the business has come down. And some of my colleagues are doing some analysis, which highlighted that the CV proportion, the growth in the CV segment has been pretty good in the last few months. So just wanted to understand, with the growth coming back, do you see the proportion of CVs again going up in your mix?

**Kamesh Goyal:**

So in our case, just the underlying growth is not important. It is also important how what is happening in the market. So I think CV business, everyone knows it has high OD loss ratio. And then the only lever is what the likely TP loss ratio is. So when we are looking at a new vehicle, one has to see it from a perspective that overall it is actually making sense. So I think that is something which is very difficult to predict, Supratim. But we have been a very, very large player in commercial vehicles, maybe probably the largest. And if you look at from that perspective, we know this business. And though reaching 19%, which is all time low proportion in Q3 CVs, is even a, I would say, sort of a strange surprise for us. But as the market changes, we are already in the, we are always in the market. We will some sort of a correction and we will start seeing more conversion. If this doesn't happen, we anyway are doing quite well both in private car and two-wheeler. And I also said that our retention ratios in private car are good. Base is increasing. We are now next year moving into our fifth renewal for some customers. So this obviously is something which gives us comfort.

**Supratim Datta:**

Understood. Thank you.

**Moderator:**

Thank you. Our next question comes from the line of Mehak from Emkay Global Finance. Please go ahead.

**Mehak:**

Yes, hi. Thank you for the opportunity. So firstly, can you just help us with the status on the EoM compliance, which was supposed to be done by March '26? And secondly, one question on the commission ratio. So while we saw a reduction in the net retention ratios, which you explained, which was driven by health and motor segments, can you help us understand what is driving higher commission ratios? Is it being led by higher gross commissions or is it being led by lower commissions on the reinsurance business? Yes, those are my two questions.

**Kamesh Goyal:**

So Mehak, I would say that if you're looking at IGAAP on the commission side, then it is primarily driven by two-wheeler business. I already said that if you look at just two-wheeler impact, the growth in two-wheeler impact compared to previous quarter, this is impacting our profit by roughly about Rs. 80 crores. Now this 80 crore is essentially coming on the commission side. Secondly, when you see commission on a net written basis, I also said that because of net premium reduced, because of some reinsurance we have given in case of health and some reinsurance we have taken in motor, so it is artificially looking low. The better way for commission trend would be to see it on an IFRS basis where you can actually see on a quarter-

by-quarter basis or a year-on-year basis how our total expense is moving because both reinsurance commission income also gets deferred and commission paid on the direct basis also gets deferred according to the policy period. So one cannot manage IGAAP profit in IFRS, you can't manage the profit the way you can in IFRS by booking reinsurance commission income upfront. So that probably in our view is a much better view of how the expense ratio is moving. Management expenses, I already said that seven percent is the lowest we have. On the EoM side, I think this was also discussed in detail in Board today, so even this quarter has substantially increased essentially because of two-wheeler business and secondly the Company did not write that 250 crores or 220 crores of the group health business. Since EoM is on the total premium basis and total EoM at 30% plus some allowances up to 1.5, the gross written premium mix has substantially changed. So it has moved more towards motor which is retail business and the proportion of group health or government health which comes at a very very low EoM has actually reduced. What management did today is that they put in our commission, our EoM line wise into the mix of very large private player and if we do that then suddenly you will see we notice that the EoM actually goes below 30. So basically our EoM is not driven by higher commission or lower commission, it is driven more from a segment perspective and I think that is also something which is now being debated more and more that IRDAI they came out with EoM with all the right intention and what has happened in the last two years is that commissions are actually increased because some companies increase the commission. Secondly, we also if you look at and some large companies they are taking reinsurance commission and setting it off against expenses and that is actually taking the benefit of that on the EoM side. If Digit would have done that then just in motor business, then our EoM would have improved by 1.4% on a YTD basis. Now Digit and one other large companies they have actually taken the call that doing this would be tantamount to GST, I would say violation, the way GST is and one should not do it. Secondly, this is also against the spirit of the EoM regulation. So I think EoM I would say overall very good intention to come. IRDAI would have seen the development now of close to 2 years. They would have also seen how some of the unintended consequences of this has come and how some companies have become a bit innovative in this area. So we feel that if overall expenses have to go down then one will have to move towards segment wise and if that happens then we are already compliant today irrespective of what our portfolio is.

**Mehak:** Got it sir. Thank you so much.

**Kamesh Goyal:** Thank you.

**Moderator:** Thank you. Our next question comes from the line of Sanketh Godha from Avendus Spark. Please go ahead.

**Sanketh Godha:** Thanks for the opportunity. A couple of questions. If you would have not done this reinsurance in the two-wheeler electric segment, how much our profit would have been lower or how much COR would have been impacted? We just want to understand on IGAAP basis the extent of benefit you got because of this reinsurance you did in two-wheelers?

**Kamesh Goyal:**

So Sanketh, this is more an expense item rather than an income item because as I said we have taken this this year. As of now, there is no claims recovery in the treaty yet. So we have paid a cost for the option. The auction is not in the money yet. It's reducing the profit rather than increasing the profit and I hope it stays that way because when you protect the tail risk you don't expect it to play in the next 6 months, 12 months, 18 months. This is more like a as I said we want to see maybe one or two more floods and then decide whether the option cost has to go down or we don't need the option at all.

**Sanketh Godha:**

Understood. And second maybe from a data keeping point of view, if you can tell me out of the total two-wheelers you do, how much is electric? Whether it is significantly higher compared to overall industry sales? And second, suppose the overall trend in the industry is moving more and more electric, then is it fair to say that maybe assuming no significant change in technology, is it fair to assume that you will keep on doing reinsurance in this segment and therefore the retentions in the 46:17 motor OD business will keep on coming down?

**Kamesh Goyal:**

Not really Sanketh. So if you look at overall our market share in EV would be similar to petrol. The share of EV in two-wheeler is increasing for the industry as a whole. If you look at two-wheeler data published by the Automobile Association, you will see the proportion increasing. Now two things which are very interesting in the EV segment. One, if you look at in China where most of the batteries are imported, the prices of batteries have actually come down this year compared to the last year. So there is no real inflation which is happening on the battery side. Secondly, in case of one manufacturer, we have already seen about during the Chennai floods, that they could actually repair batteries even after the flood claim. So our sense is that due to the overcapacity in the electric vehicle area and all of us know that whether it is Europe or it is US, electric vehicles are not really increasing in proportion and there is massive oversupply of battery manufacturing. Secondly, we have already started seeing one manufacturer actually do really well on the vehicle repair. And as very established two-wheeler players have started coming in who are big in petrol two-wheelers, we feel that this is something which will actually improve. Now the question obviously is in case of two-wheelers is that when there is this sudden rain which we saw in Calcutta or in Chennai, a lot of two-wheelers can suddenly go underwater. And God forbid if you are insuring a lot of two-wheelers, then you could technically get into that sort of a loss scenario. But we are not doing any correction per se to say we don't want to increase the two-wheeler proportion. Obviously, on the pricing side, we have started now making changes between ICE two-wheelers and electric two-wheelers.

**Sanketh Godha:**

Understood. So Kamesh, out of the Rs. 100 of two-wheelers, what proportion will be electric now for us?

**Kamesh Goyal:**

So as I said Sanket, we will be very similar to what the industry is. I don't have the figure off hand. It's not that we are over or underweight on electric two-wheeler. We are consciously not going for it. Consciously, we are not avoiding it. So this is more a market development. And as I explained the last time, and the TP claims also we have to really see how they will play in the electric two-wheeler because the acceleration, the pickup starts going down specifically after

year three and we will have 5-year insurance. So, electric two-wheelers, I think both OD and TP, personally, I would wait for two years before one would reach a conclusion that it is good or bad because if TP, it plays out the way one expects, then the TP loss experience might actually be better.

**Sanketh Godha:**

So if it plays out in the way you believe, then whether there will be a big release in TP?

**Kamesh Goyal:**

No. I am saying because as the battery capacity goes down, as people get used to electric two-wheeler acceleration, across the world, one has seen that loss experience in TP improves over a period of time because people get more used to it and the pickup of the battery, the acceleration also starts going down after year 3, year 4. So now, that is the reason I am saying that we are comfortable where we are, but at the same time, we cannot be 100% sure that this will be bad, but one thing we feel when looking at our data is without floods, we do not expect electric two-wheelers to be worse than petrol two-wheelers. That, I would say, we can make a statement on that basis, without floods.

**Sanketh Godha:**

Understood. And lastly, on the overall motor OD combined ratio, which you told in your initial remarks that it is more cars driven rather than other segments driven, but still, given you clearly told that the two-wheeler contribution went up, in our view, a motor OD in two-wheelers is meaningfully very low compared to cars, then if the mix is going two-wheeler favour, ideally, the motor OD loss ratio should have improved. Is it fair to say that the advanced premium float advantage which you get in two-wheeler, you are okay to compromise on motor OD loss ratio because from overall ROE perspective, it might be still positive?

**Kamesh Goyal:**

So, Sanket, I think the contribution of two-wheeler in overall OD premium is much lesser and if you look at in private cars, new vehicles have lesser own damage loss ratio compared to older vehicles. Now, if you look at Quarter 3, our mix is less in new vehicles in Quarter 3 in private car. It is more towards renewals and others. So, as we have always said, Sanketh, that in our case, we look at loss ratio plus acquisition cost together to look at whether the business is profitable or not profitable or what the underlying ROE is. So, I would again say that looking at any of this in isolation from a loss ratio perspective would give a conflicting picture and you know that we do not try and manage the IRDAI combined ratio as per IGAAP accounting combined ratio because we have gone on record last year and we demonstrated it in our February analyst meet that this is illogical. Combined ratio is high, but profit is improving even without capital gains. But if you see our IFRS combined ratio, which I think I would try to explain in a bit of detail, you can see that the improvement is happening. So, we do not want to artificially drive ourselves with the KPI which we fundamentally believe and we have shown, demonstrated that it is wrong. You would also recall, Sanketh, that at that time we showed you how some companies are managing IRDAI combined ratio by upfront the insurance commission. Now, that also you cannot do in IFRS. So, we would not look at IRDAI combined ratio, a KPI which we believe is wrong, we have demonstrated it is wrong, but we will drive ourselves to manage it from optics perspective. We will not do that. We have always said we drive ourselves on IFRS basis. We have been audited or getting our IFRS results audited. Now, we have declared

everything and what one would do under IFRS basis. We will be more than happy if other companies also declare this, then we will be happy to do a comparison on IFRS combined ratio. You know this better than I do and a lot of other people like you that if you look at our capital gains as a percentage of investment profit, which is such a big component, that also would be amongst the lowest, if not the lowest in the last quarter, in the last 9 months, in the last 27 months and when the markets are a bit shaky to sit at 230% solvency ratio to be at 7.4% equity allocation, we are in a sweet spot in the last 15 months or so. We have more than doubled our equity allocation on a very high AUM and we still have some unrealized gains. So, I am not saying all this shows that in future also we will do well in investment, but you can see what we do in fixed income, what we have done in equity in the last 15 months, once we said that now we will be increasing equity. So, we follow a very strict sort of a discipline, Sanketh, in this and you know that we do not waver from what we are doing just because we have to manage some KPI because somebody is tracking it. We do not do this, and I hope management team and I am saying this to them that after me, they also do not do this. Otherwise, I will have to come back.

**Sanketh Godha:**

Understood, Kamesh. And lastly, the probability of EoM going segmental way again, in your view, any opinion there?

**Kamesh Goyal:**

So, Sanketh, I would say and I think let us see, let us go by the facts. I do not think we should go by views here. So, as I have said repeatedly, for IRDAI to contain and reduce the cost of insurance for end customer is something which everyone has to agree. There cannot be any disagreement. Secondly, despite this, the expenses have actually gone up. And why they have gone up is because some companies who write low EoM business, they went and increased the commissions or expenses in the retail business which increased the overall EoM. You have also seen If we see it from an EoM management perspective, we will see that a lot of companies have written a lot of government health and group health business to manage EoM and this is impacting their loss ratio. In our case, our management decided to let go Rs. 220 crores of premium because they felt this would be bad from a profitability perspective. Otherwise, you can imagine 7% premium which comes almost at a zero cost of EoM. This would have changed the EoM substantially. So, my sense is that regulator is very conscious. Insurance Act has also now talked about managing the cost of total expenses. From a customer's perspective, if I look at RBI report on financial stability, for the first time, they have covered this aspect very, very clearly. In fact, they have identified it as a stress in the insurance ecosystem. So, right from Parliament which makes the Insurance Act, from the Honorable Finance Minister, from Governor of RBI, from Chairman of IRDAI who has recently joined, in fact, one of his early statements was to increase the penetration of insurance by reducing the expenses. I personally feel that something has to be done and the way to do this is to reduce it to move. One of the ways to do is to move towards segment-wise and on segment-wise, we have actually and I would request all of you to do the same. Look at our segment line of business-wise EoM. Put it in any company you think is very good in EoM and private company. Compare us with the best and you will see we will meet the EoM criteria. So, something has to give way. If IRDAI has to achieve their objective by the financial sector and also now Parliament's objective, something has to change. Jasleen is saying enough on EoM. So, I will have to stop now.

- Sanketh Godha:** Yes, well understood the comments. Thanks for your answers. That's it for me.
- Kamesh Goyal:** Thanks a lot.
- Moderator:** Thank you. Our next question comes from the line of Nidhesh from Investec. Please go ahead.
- Nidhesh:** Thanks for the opportunity. I have two questions. One is on the IFRS ROE. So, in this line of business, what is the target ROE that we take for pricing these policies without taking into consideration underwrites major losses. And what are the levers for us to reach that particular ROE over let's say medium term on IFRS basis? Secondly, when do we see Go Digit growing in retail health insurance? These are my two questions.
- Kamesh Goyal:** Sorry, your voice is not very clear, Nidhesh. IFRS, I understood on ROE, but I have not understood your other question. What is it growing?
- Nidhesh:** Growing in the retail health insurance.
- Kamesh Goyal:** Okay. So, IFRS, I think I am just again repeating Nidhesh myself. You can look at Slide #13. Profit, say for 9 months, Rs. 459 crores, which is IGAAP add Rs. 322 crores deferred acquisition cost (DAC), you hit a figure of Rs. 781 crores. You take 25% out of it, which roughly is Rs. 190 crores. Maybe you can take this to about Rs. 590 crores or so, or maybe Rs. 600 crores. So, from Rs. 600 crores on the net worth is about Rs. 4,400 crores. So, Rs. 600 crores over Rs. 4,400 crores gives you roughly about 14%. I am doing now this arithmetic, you should do this properly with that calculator, and this will be for 9-months, then you can actually annualize it. So, that is how we see IFRS ROE. The deferred acquisition cost (DAC) number we have declared, we already said that all this under IGAAP has been accounted for in future, it will get earned at 0% cost. So, this gives you a very good idea of what the ROE is. Unfortunately, most companies are not declaring it on this basis. And that is where the comparison becomes tough for us. Retail health, again, I would say, and I think I don't want to repeat too much on this is that we feel that we said this already last year, we feel that one should start exploring this. And we have started exploring this. When exactly will it grow? And how much will it grow by? Right now, I don't think we are in a situation to do that. But I think on a quarter-by-quarter basis, if and once it becomes something which is like a trend, then that is something we can speak about at that time.
- Nidhesh:** Sure. Thank you, sir. That is from my side. Thank you.
- Kamesh Goyal:** Thank you.
- Moderator:** Thank you. Our next question comes from the line of Shobhit Sharma from HDFC Securities Limited. Please go ahead.
- Shobhit Sharma:** Hi, sir. Thanks for the opportunity. So, my question is on the growth. So, on the GDPI side, we have seen a very strong growth over the last nine months. So, how should we think about it given



we will have a stronger base for next year? And another thing is this growth seems to be primarily driven by the broker channel on the motor side. So, can you give us some color around the market share gains which we have on the OEM partnerships around that?

**Kamesh Goyal:**

So, I would say I think we have said this in the past that in a market where pricing is low, our growth rate we still expect to be, our ambition is to grow more than the market. Where the premium rates we feel are good, then we expect to substantially grow than the market. I think one area which you can look at in the last nine months is fire segment, where the premium rates strengthened and then market grew, but we grew substantially more than the market. Now, what will happen in future? We honestly don't know. And if you ask me beyond the point, we don't really care because we feel that we have to look at the market realities and shift courses. We are present across areas and channels and geography. And this is something which we feel that we can move the portfolio quite a lot. You saw in fire a substantially increasing market share. You saw us becoming, if you look at in motor, we now have highest ever market share in motor, even in OD. And now the difference between OD and TP in the overall market share is also reducing because the new vehicle sales has been particularly been decent this year compared to the past. So, what will happen in future is something which is very difficult to say but look at the past and see what has been happening on GDPI during COVID years, then during bad years, when no TP increase, and you can reach a conclusion as to what the performance has been. Now, when you come to brokers, so brokers, we have to keep in mind, obviously OEM brokers are very big. But you also have retail brokers, and you also have some very large or what some people call them as prime brokers, maybe the top 7-8 aggregators of this PHP channel. Now, when we look at this, this year, two out of the three types of brokers, we would have increased market share, one of the three, we would have actually lost a bit of a market share. But overall, I think on the OEM side, etc. In two-wheeler, we are growing our market share also in overall in the private car, we are increasing our market share as of now.

**Shobhit Sharma:**

Okay, sir. Thanks for that. And I have a question on the OD loss issue. I am sorry, I am harping again back on this. You mentioned that because of the higher share of the old vehicle in your in the overall mix. So can you help us understand how much the movement has been? Is this a very drastic movement like you are at 70%-80% kind of an OD, old vehicle mix has then gone up significantly, which is impacting the loss ratio? Secondly, is the loss ratio also impacted by the lower IDV and the lower premiums resultantly? So can you can you help us understand that impact as well?

**Kamesh Goyal:**

Sure. So I will say that no overall OD loss ratio has increased. I also said that it is essentially in private car, the impact is a lot, the CV and two-wheeler is more or less stable. Obviously, in the last quarter, there has been an impact of reduction in IDV, because for new vehicles, etc. the lesser premium came compared to what we would have got just prior to the GST cut. So all this has impacted I also explained that there was reduction in the average ticket size in the market. And also we consciously try to stick our renewal base a bit better. I would say that corrective actions have been taken two months back, some have happened in January in a very substantial way. And some more will go online in the month of February, some in by January and some in

the month of February. So as of now, we feel that this is not something which is out of control from our perspective. We are conscious of this, and we have taken corrective action on this. So it's a combination of a lot of things. And I would say that I already said this, if you look at last quarter Q4 of '24-'25, we exited that year at 70.5 that quarter. So this has been the trend, if you go back and see loss ratios of say, two of the biggest private companies, their OD loss ratios used to be in the early 50s. And now, I think if you look at our OD loss ratio, when all the companies results are declared by census, we would be still be in the best three. So this is something which we feel will get into control. And we are fairly conscious of it both of the reasons and what the corrective actions one need to take.

**Shobhit Sharma:** Okay, just a small follow up on this, because of the pricing action, which we have taken in the month of January, have you seen any kind of negative business impact on the volume side? And just a small question on the motor TP reserve releases. So have we taken comparatively higher reserve releases as compared to last year, if you can comment on that part as well? Thank you.

**Kamesh Goyal:** I would say that it's too early for us to look at trends in January, because we would want to see the trend also unfolding over two months. Secondly, if I am saying our loss ratio and OD should be in the top three, then every other company is bleeding much, much more. So we expect everyone to take corrective action. I think in GST, all of us know that after the GST idea was not to increase the premium rates. But I think everyone will start taking corrective action on the overall portfolio basis. On TP, I think if you look at last year also, Quarter 3 has the highest TP release out of 4 quarters. This year, our assessment is this year again, Quarter 3 would have the highest release. So this is something which is a bit more seasonal. And I think when we end the year, as a percentage of NEP on the TP side, we don't expect it to be substantially higher, it might be plus minus 0.5, 0.6 up, but we don't expect it to be substantially higher. But quarter three last year and this year, there is a release if an amount comes the highest.

**Shobhit Sharma:** Okay, sir. Got it. Thank you, sir, and all the best.

**Kamesh Goyal:** Thank you so much.

**Moderator:** Thank you. As there no question from the participants, I would like to hand the conference over to management for the closing comments. Thank you and over to you, sir.

**Kamesh Goyal:** First of all, thanks everyone for joining. Just quickly capturing three broad points. The merger has no impact in the way the company is run, or board is managed or management. The shareholders intend to buy 43 crores of shares at a price of 375, the promoters. So you can actually see the confidence of the promoters when they're actually putting money at a substantially higher price than the market price at that time of 345. Overall, we only look at IFRS. We have already said this on a combined ratio basis, from a profitability perspective, because IGAAP combined ratio can be managed by booking reinsurance income upfront and also by the way you are managing your net retention. In case of IFRS, both would not move the needle. And we always look at loss ratio plus expenses or commission of that line together and

not in isolation. And then the third point is that expense of management is a very good initiative of IRDAI. The unintended consequences for two years, I am sure, are being worked by them. They also know how through reinsurance commission and reimbursement some companies are trying to manage the EoM. And this also in addition has GST risk. Since I think you guys speak to all companies, companies which are doing this, you should ask them what is their assessment on the GST exposure? Looking at the EoM on the segment-wise, please put our EoM segment-wise in whatever company you think is best in class on EoM. We would meet the guidelines. Our management expenses continue to be best in class. And finally, at 230% solvency, sitting at 7.4% of equity, fixed income yield is best in class. We feel even on asset allocation perspective, we are at a very, very good sweet spot. And we have shown that in the last 12 to 15 months on an increasing well-growing EoM base, we have actually doubled, close to doubled our equity allocation. So we are now also watching the stock markets, and we have predefined buying levels and all of that in place. And I think we look at the coming months with a lot of hope and enthusiasm. Thanks everyone for joining and sorry for extending the call by 10 minutes. If any of you have any questions, please connect with our team offline and we hope to see some time in the next month. Thank you very much and good night.

**Moderator:**

Thank you so much, sir. On behalf of ICICI securities, that concludes this conference. Thank you for joining us and you may now disconnect your lines.