



IPO DETAILS

#IPOology

GO DIGIT GENERAL INSURANCE LIMITED



 **ISSUE OPEN**

15th May, 2024

 **ISSUE CLOSE**

17th May, 2024

Min. Lot Size

55 shares

Issue Price Band

₹258 - ₹272

Issue Size

Fresh Issue:
41.36 mn Eq shares
(₹11,250.00 mn)

OFS:
54.77 mn Eq shares
(₹14,896.46 mn)

Face Value

₹10

Industry

General Insurance

Listing at

NSE, BSE

RATING

Subscribe

OPEN ACCOUNT

APPLY NOW

Marwadi Shares and Finance Limited

Corporate Office: Marwadi Financial Plaza, Nana Mava Main Road, Off 150ft Ring Road, Rajkot - 360001, Gujarat.

Registered Office: X-Change Plaza, Office No. 1201 to 1205, 12th Floor, Building No. - 53E, Zone - 5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat.
0281 7174 100/0281 6192 100 **CIN of MSFL:** U65910GJ1992PLC017544

SEBI Reg. No. of MSFL for NSE, BSE, MCX, NCDEX: INZ000174730 | Membership No.: NSE:08760, BSE:0910, MCX:56410, NCDEX:1280 | SEBI Regn.No. of DP: IN-DP-476-2020 (NSDL DPID:IN300974) (CDSL DPID:12035100) | Research Analyst: INH 000002186 AMFI: ARN-42506 | PFRDA: POP07082018

Disclaimer: 'Investment in securities market are subject to market risks, read all the related documents carefully before investing'.

[For Facts & Figures](#)



GO DIGIT GENERAL INSURANCE LIMITED

Rationale

Considering the Book Value of Rs 43,920 mn on a post issue basis, the company is going to list at a P/B of 5.68x with a market cap of Rs. 2,49,479 mn, whereas its peers namely New India Assurance Company Ltd, Star Health and Allied Insurance Company Ltd, ICICI Lombard General Insurance Company Ltd are trading at a P/B of 1.33x, 4.66x, 6.66x.

We assign a "Subscribe" rating to this IPO as company has advanced technology platform along with predictive underwriting models. Also, it is available at reasonable valuation as compared to its peers.

Objectives of the issue

To undertake their existing business activities; and

To undertake the activities proposed to be funded from the Net Proceeds. Further, their company expects to receive the benefits of listing of the equity shares on the stock exchanges.

Company Overview

Incorporated on December 7, 2016, Go Digit General Insurance Ltd is one of the leading digital full stack non-life insurance companies.

They offer motor insurance, health insurance, travel insurance, property insurance, marine insurance, liability insurance and other insurance products, which the customer can customize to meet his or her needs.

They offer a broad suite of products to satisfy their customers and their contribution to Gross Written Premium as follows: (i) Motor Insurance (61% of GWP),(ii) Health insurance (15%),(iii) Property and Engineering Insurance (11%),(iv) Personal Accident Insurance (4%),(v) Liability Insurance (2%),(vi) Travel and Others (7%).

As a digital full stack insurance company, they deploy a combination of insurance and technology solutions to assist in enrolment, insurance claims processing, underwriting, policy administration, data insights and fraud detection.

Their Gross Written Premium was ₹ 66.80 billion for the nine months ended December 31, 2023.

As of December 31, 2023, they maintain a broad distribution footprint across 24 of the 36 states and union territories in India.

They launched 74 active products across all business lines.

As of the nine months ended December 31, 2023 and Financial Year 2023, they have achieved a market share of approximately 6.0% and 5.4%, respectively, in the motor insurance segment which was one of the largest non-life insurance segment in India as of Financial Year 2023.



Distribute Pro-Network

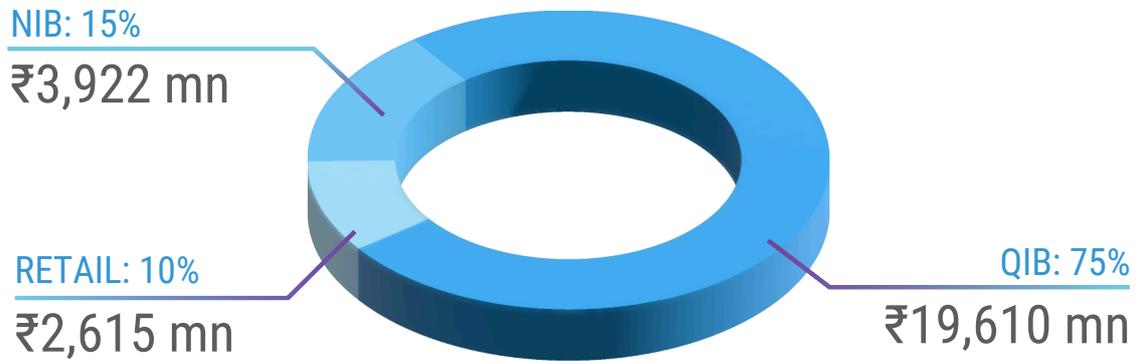
As of December 31, 2023, they had relationships with approximately 61,972 key distribution partners, including approximately 58,532 POSPs, as well as individual agents, corporate agents, brokers and others.



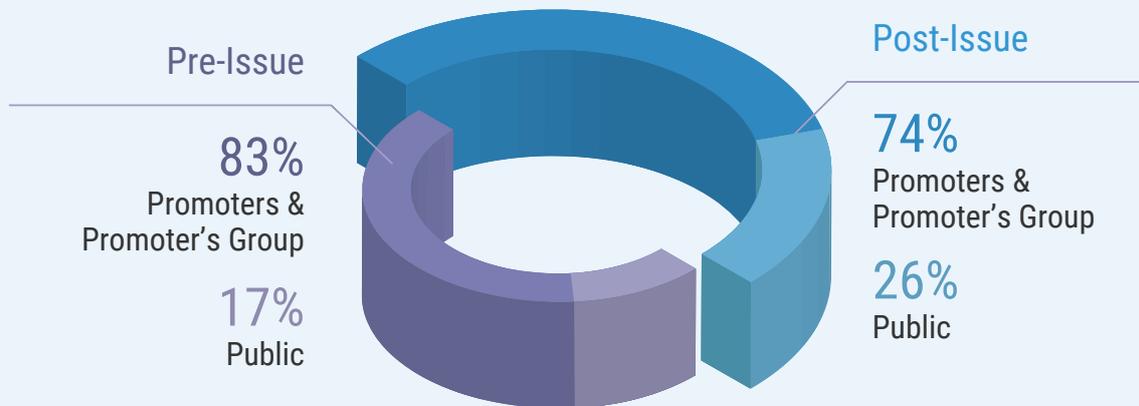
GO DIGIT GENERAL INSURANCE LIMITED

Issue Details

Issue Break-Up



Shareholding Pattern



Capital Structure (in ₹)



10,000 mn
Authorized Equity
Share Capital



8,758 mn
Paid-Up Capital
(Pre-Offer)

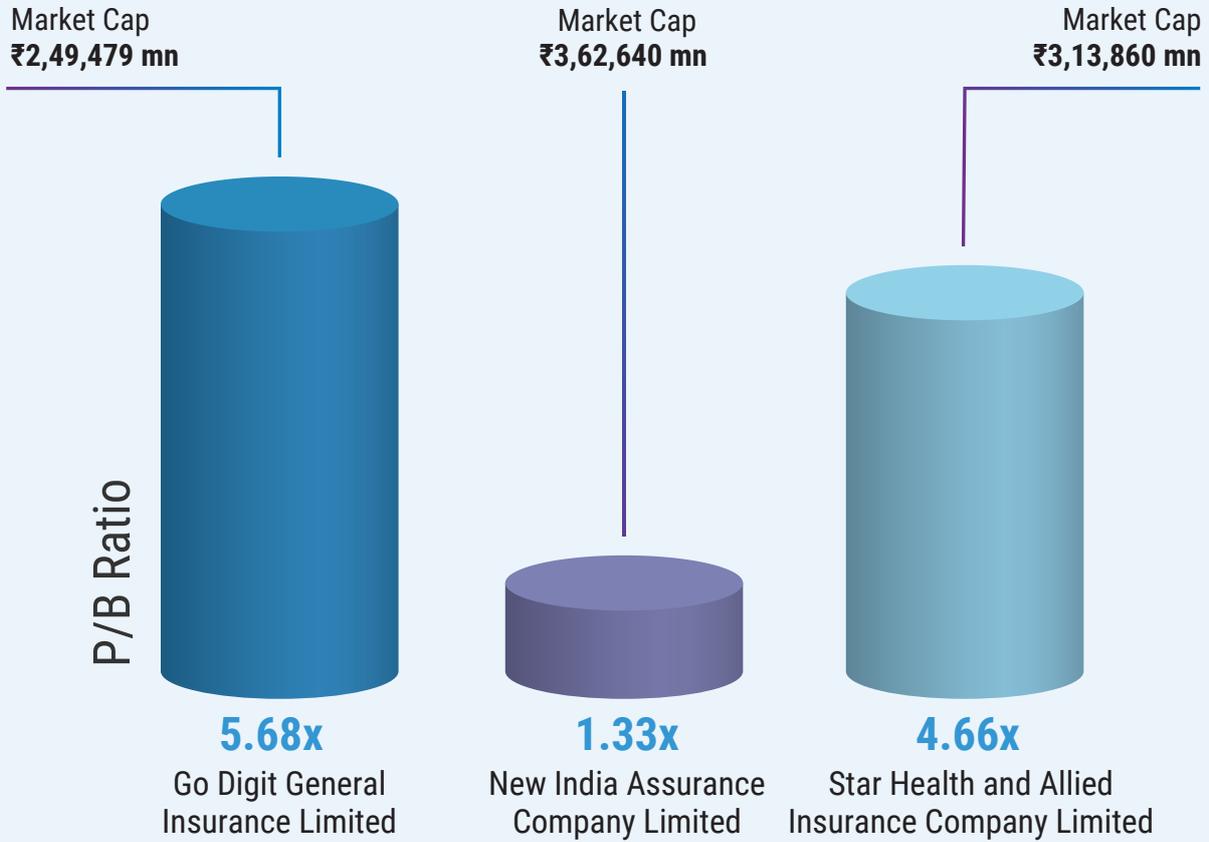


9,172 mn
Paid-Up Capital
(Post-Offer)



GO DIGIT GENERAL INSURANCE LIMITED

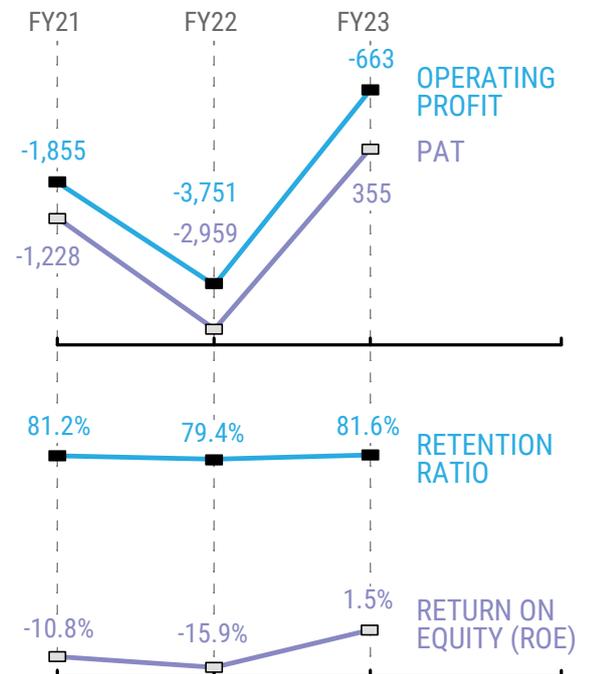
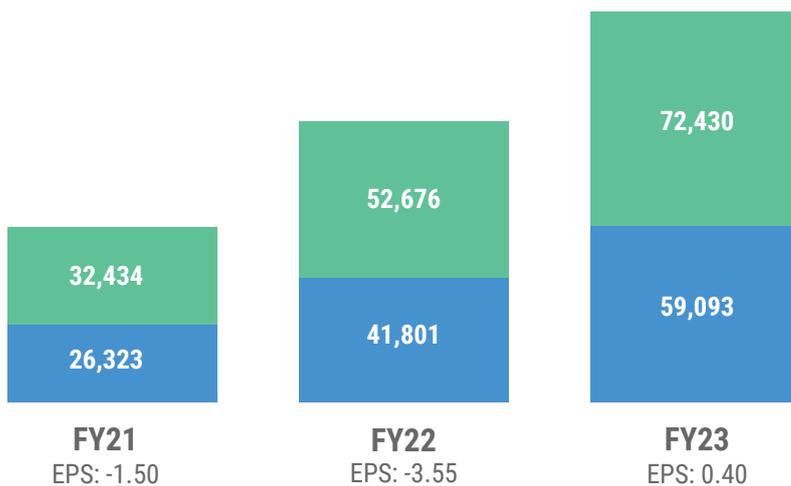
Valuations and Peer Comparison



Market Cap data of listed securities as on May 10, 2024

Financial Snapshot (in ₹ mn)

■ GROSS WRITTEN PREMIUM
■ NET WRITTEN PREMIUM





GO DIGIT GENERAL INSURANCE LIMITED

Business Insights



Competitive Strengths

- Simple and tailored customer experience.
- Their focus on empowering their distribution partners.
- Predictive underwriting models.
- Advanced technology platform.
- A nimble organization with a skilled and experienced management team.



Business Strategy

- Be known as a leader in customer service.
- Acquire new customers across their current products in the Indian non-life insurance market.
- Grow their product portfolio to meet Indian market needs and drive further adoption across their product suite.
- Expand into new geographies within India.
- Optimize customer experience and boost operating leverage through continued investment in technology.
- Drive more accurate pricing in the insurance industry.



Risks

- They have a track record of reporting losses and, they may not be able to maintain profitability in the future. Their limited operating history makes it difficult to accurately evaluate their future business prospects.
- Their loss reserves are based on estimates as to future claims liabilities and if they prove inadequate, it could lead to further increases in reserves and materially adversely affect their results of operations.
- They have received cautions, warnings, and show-cause notices from the IRDAI due to alleged non-compliance with various regulatory prescriptions in the past, and IRDAI has imposed penalties in certain cases, and they may be subject to such regulatory action in the future.

Promoters and Management Details

Kamesh Goyal - Non-Executive Chairman (Nominee of GDISPL)

Jasleen Kohli - Managing Director and Chief Executive Officer

Chandran Ratnaswami - Non-Executive Director (Nominee of FAL)

Research Disclaimer <https://bit.ly/2RK2tzc>

