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GIC Re

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To,

The Manager	The Manager
Listing Department	Listing Department
BSE Limited	The National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Tower	Exchange Plaza, 5th Floor, Plot C/1,
Dalal Street	G Block, Bandra Kurla Complex
Mumbai – 400001	Mumbai - 400051

Scrip Code: (BSE – 540755/ NSE – GICRE)

Dear Sir/Madam,

Sub: Transcript of conference call held with Investors and Analysts to discuss the financial results for the quarter ended 30th September 2023

In compliance with Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Transcript of the conference call held with Investors and Analysts on Friday, November 10, 2023, to discuss financial results for the quarter ended 30th September 2023.

The same is also available on the website of the Corporation at www.gicre.in.

Kindly take the above information on record.

Thanking You

Yours sincerely

For General Insurance Corporation of India

SATHEESH KUMAR S
Digitally signed by SATHEESH KUMAR S
Date: 2023.11.14 18:48:22 +05'30'

(Satheesh Kumar)
CS & Compliance Officer

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(भारत सरकार की कंपनी)
General Insurance Corporation of India
(Government of India Company)
CIN: L67200MH1972GOI016133 IRDA REG NO.: 112

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"General Insurance Corporation of India Limited Q2 FY-24 Earnings Conference Call"

November 10, 2023

MANAGEMENT: MR. RAMASWAMY NARAYANAN – CHAIRMAN & MANAGING DIRECTOR.
MR. HITESH JOSHI – GENERAL MANAGER,
MS. JAYASHREE RANADE – CHIEF FINANCIAL OFFICER
MS. RADHIKA RAVISHEKAR – CHIEF INVESTMENT OFFICER

Moderator: Ladies and gentlemen, good day and welcome to General Insurance Corporation of India Limited Q2 FY24 Earnings Conference Call.

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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Binay Sarda from E&Y. Thank you and over to you, sir.

Binay Sarda: Thanks, Arshiya. Good afternoon to all the participants on the call, and thanks for joining this Q2 FY24 Earnings Call for General Insurance Corporation of India. Please note that we have mailed out the press release to everyone, and you can also see the results on our website as well as it has been uploaded on the stock exchange. In case we have not received the same, you can write to us, and we'll be happy to send it over.

Before we proceed with the call, let me remind you that the discussion may contain forward-looking statements that may involve known or unknown risks, uncertainties and other factors. It must be due in conjunction with our business that could cause future result performance or achievement to differ significantly from what is expressed or implied by such forward-looking statements.

To take us through the results of this quarter and answer your questions, we have with us the management of GIC represented by Mr. Ramaswamy, Chairman and Managing Director and other top members of the management. We'll be starting the call with a brief overview of the quarter gone past, which will then be followed with a Q&A session.

With that said, I'll now hand over the call to Mr. Ramaswamy. Over to you, sir.

Ramaswamy Narayanan: Thank you Binay. Good afternoon, everybody. I'm pleased to announce the financial performance for the quarter ended September 30, 2023. We have been proactive in implementing strategic initiatives and maintaining a prudent approach which has resulted in gradual improvement in our overall performance. We recognize the importance of maintaining a healthy combined ratio. And I assure you, that all our efforts are directed towards achieving the same. This hardening cycle has allowed us to take full advantage of the market conditions. And our disciplined approach to underwriting has helped us in keeping the combined ratio under check reflecting the dedication and hard work of our entire team.

Let me now take you through some of the key highlights of the financial performance:

The gross premium income of the company was 10,762.14 crores for Q2 FY24 as compared to 8,100.62 crores for Q2 FY23. The investment income stood 3,100.97 crores in Q2 FY24 as compared to 3,206.32 in Q2 FY23. Incurred claims ratio stood at 98.4% in Q2 FY24 as compared to 97.5% during the corresponding quarter of the previous year. Combined ratio in Q2 FY24 stood at 115.83% versus 117.89% during the corresponding quarter of the previous year. The adjusted combined ratio by taking into consideration the policyholders investment income works out to 95.11% for H1 FY24 as compared to 92.07% in H1 FY23.

Profit before tax stood at 1847.6 crores in Q2 FY24 as against Rs.2,461.36 crores in Q2 FY23 and profit after tax stood at 1,605.09 crore in Q2 FY24 compared to 1,859.92 crores in Q2 FY23. Solvency ratio stood at 2.82 as on 30.09.2023 as compared to 2.25 as on 30.09.2022. Net worth of the company without fair value change increased to 33,266.61 crores on 30.09.2023 as against 28,006.66 crores as on 30.09.22. Net worth of the company including fair value change increase to 71,376.53 crores on 30.09.2023 as against 60,585.14 crores as on 30.09.2022.

On the premium breakup domestic premium for H1 FY24 is 13,087.98 crores and the international is 6591.86 crores. The percentage split is domestic 67% and international 33%. There is a de-growth in the domestic premium by 2% while the international book has grown by 16%. As we look ahead, we are confident in our ability to maintain this positive momentum. Our company's robust foundation, coupled with the experience and expertise of our team gives us the confidence to continue, making strides in improving our overall performance and in especially reducing our combined ratio. We remain focused on seizing opportunities, mitigating challenges, and delivering consistent value to our stakeholders.

Having given the highlights now, we will open the floor for questions from the interested parties.

Moderator: Thank you sir. We will now begin the question-and-answer session. First question is from the line of Ms. Mahek from Emkay Global Financial Services Limited. Please go ahead, ma'am.

Mahek: So a couple of questions. So, in the backdrop of the flood related catastrophes that have caused more of the losses in the motor and commercial segment. So, there have been some articles around the reinsurers taking price hike for the domestic insurers. So, just wanted to understand in that context, what kind of price hike are we looking for the next renewal hike in, that would be the first question. Second one would be around the marine cargo premiums. So, there has been a significant increase around 120% of increase in marine cargo premiums. So, could you just give us some insight on whether this growth is being led by the value or the volume and has GIC taken any price hike on the same. The third question would be, in the international marine cargo segment, the combined ratio is around 592% and in the international marine hull combined ratio is at 255%. So could you explain if there has been no excess of loss retention cover taken by GIC and what kind of steps are being taken to heighten the risk management. That will be my three questions.

Ramaswamy Narayanan: Thanks Mahek. On the NAT CAT front, let me take this up. So, yes there have been losses in the past, internationally if you see last five, six years have been extremely difficult in terms of the number of CAT'S that have happened, the intensity with which it has happened. So, the severity and frequency of losses have been going up and all the reinsurers have suffered, because of that. This year we have seen price hardening in all the markets, in fact terms and conditions have also changed significantly. So even though there have been losses in this year also a major part of the losses have been retained in the insurance market. So, we believe that going forward, the conditions will stay the same. The rate hikes across the world would be between maybe 2% risk adjusted change to maybe 5% to 10% depending on markets, depending on markets which have suffered losses, depending on companies where exposures have grown and chances of losses are bigger. So, it will not be as difficult as it was last year but then we do expect those price rates, price changes to happen. On the marine cargo and hull front I will request our General Manager underwriting to address that, Hitesh.

Hitesh Joshi: In regard to international cargo. Something similar to what has happened in the International motor has happened. There are some certain delayed bookings and there is a bunching of certain statements of account of previous quarters getting booked in this quarter. So that has resulted into jump in premium as well as jump in claims. Insofar as performance is concerned there is a particular contract which is not performing as expected and that contract is discontinued something like two years back, but there is a tail off which, which is developing. In regard to international hull, there is a particular energy loss in the international market, fairly major one of 100% value of $700 million, where we have exposure on our book of $30 million plus, we do have excess of loss protection for our marine book. But this is the loss that we are taking.

Moderator: Thank you. Next question is from the line of Mr. Karthikeyan an Individual Investor. Please go ahead sir.

Karthikeyan: I have three questions. The first is like the presentation that published on the 16th of October which is comprehensive is good. And there is a thing that the credit rating we are working towards improving that. So we have any timelines for that of how, when that can be improved?

Ramaswamy Narayanan: Okay, do I reply now or are you going to give all the three questions that you had?

Karthikeyan: I will ask the second, third questions as well. The second is, the income tax that we paid, which shows in the P&L is about 445 crores, but if you look at the cash flow statement that shows us 1400 crores, there seems to be some huge discrepancy there. I would like to understand why that is the difference. And the third item is like, the investment income it's been flat this quarter, of the last quarter, our investment book is growing for the last one year, whereas the income has been flat, in fact it is less than last year. So these are the three questions.

Ramaswamy Narayanan: Sure, thanks Karthikeyan. So, I'll take the first one, you wanted to know about the timelines for credit rating. So we have been in touch with the credit rating agencies for quite some time now they visited us in July, we gave them a detailed presentation, presented all our data to them. And it has been a constant endeavor to keep engaged with them to understand what their requirements are from us, and to ensure that they get the confidence from us. So that has continued. In fact, we met them as recently as last week in Singapore to understand and there we were given to understand that they will typically take another 15 days to publish our credit rating. So maybe the week of Diwali that is next week, or maybe the week after that is when we would expect the credit rating to come in. As regards the IT part of ours, we have our CFO here with us, Mrs. Jayashree Ranade, I'll ask her to take this.

Jayashree Ranade: Yes, Mr. Karthikeyan. Income tax, if you see the provision for income tax is 445 crores, which is for, if you say that it is, we are opting for the turnover regime of tax that is 25% and in this last quarter, when we paid our dividend, we got the benefit of Section 80N to the extent of 242 crores, so that has been reduced to 700 and minus 242. And roughly some other adjustments like deferred tax assets have been created on the reversal of provisioning on that, if you see there is a miscellaneous income, there's a reversal of provisioning or to the extent of around 400 crores on that we got some deferred tax benefits. So with all these three components, the 445 figure has been arrived at. Now about the cash flow figure sir, cash flow we have paid advance tax and also the additional tax for the previous year's calculation if you see our previous year's calculation is to the extent of roughly 1400 provision for tax. So the balance amount of that worked out to be approximately 600, exactly I don't remember but this last two advance taxes total is that 1400 crores this is what is shown in the cash flow. Is it okay, this answer.

Ramaswamy Narayanan: On the investment front. We our Chief Investment Officer, Mrs. Radhika Ravishekar, I'll ask her to take that. Radhika.

Radhika Ravishekar: Regarding your query, that the income is actually more or less remained flat from first to second is because of profit on sale has been slightly lower in the second quarter because of the volatile stock markets. So the profit on sale of securities has been lower. Secondly, our investment in corporate bonds also reduced because corporate issuances also were very less the second quarter as compared to first. This is likely to improve in the second half the corporate bond issuances. So, we'll be investing more into the corporate bond which give a higher yield.

Karthikeyan: Ma'am can you please give us a break up like what's the trading income, interest income and the dividend income?

Radhika Ravishekar: For the second quarter, for the first half the interest is as on 30.09.23, the interest is 2578. Dividend was 776 that means income excluding profits 3354 crores, and profit was 1804 crores. When you compare with previous 30.09.22, it was 2103 crores the profit on sales. So that has come down.

Moderator: Thank you. The next question is from the line of Mr. Janish Shah, an Individual Investor. Please go ahead, sir.

Janish Shah: I have a few set of questions probably with regard to the earlier calls where the management has been alluding the improvement in combined ratio and had a target to reach about 100%. And we could see that till 23 numbers as well, where gradually that number has been improving. The markets globally have also seen an improvement in terms of the underwriting profits with many of the company. How do we read this with regard to our own journey when we look at first half numbers, it's still much higher than what the last years number on a overall basis in terms of the combined ratio that we ended with. So how are we going to see the journey ahead in terms of improvement in the underwriting profits for us. Second, we were also talking about improving the share of the international business to more closer to like a 50% and we are still at 2/3, 1/3 kind or near about that numbers. So what are we, where are we in the thought process on that again and the third is we have a very healthy capital adequacy ratio in an environment where globally, the insurance companies are facing an issue of capital shortages. Is it going to create an opportunity for GIC to ride onto the capital adequacy ratio that it has over next few quarters, that's the three set of questions that I have. Thank you sir.

Ramaswamy Narayanan: Thank you, Janish. So, let me take up these questions one by one. From the underwriting profits and the combined ratio the question that you had. So, yes, it is very much a target for us and we are very clearly in our mind as a team, as an as an organization, we want to ensure that there are underwriting profits, we would ideally want to go as close to 100 as possible, but then yes, there is always a challenge that you can't do that in a year it will happen over a period of time. And we are essentially working towards that. If you look at it from a half year to half year, with regards to the previous year, there is one component there which is slightly skewed things which is the exchange gain that we had. So, last half we had something like 700 crores which has now come down this time to about 50 crores So, that kind of adds a bit of a buffer and this is essentially actually not a loss this is something that is just booked in the books based on the exchange, based on the way the business figures converted into Indian rupees. So, if you take that out and if you look at it from a pure underwriting perspective last half year, our combined was at around 117. And we are at this time also around 117. We've actually improved it by a few basis points. And now also what we need to realize is on this particular thing you need to realize there is one component which has been added, which is the Sikkim losses. So, in Sikkim you would have seen from the newspapers, there was a cloudburst kind of an incident and losses have happened. And obviously, as one of the primary players in the Indian market, we are also part of that loss. So, as a matter of utmost prudence, even though this event happened in October, as a matter of utmost prudence, we have actually provided for those losses in the September quarter. Even though no bookings have happened from the accounting perspective, the IBNR has been loaded by the actuary keeping this loss in mind. So, if you look at that, that's close to 650 crores and that typically adds about 3%, 3.5% to our combined. Otherwise our combined would be ideally closer to 113%. There has been another event which is kind of given us a bit of a problem, which is what Hitesh earlier spoke about in one of the questions. One of the contracts that we wrote in the US, which contained both marine cargo as well as motor, it was not working for us and as part of the consolidation that we have done in the last three years. This was one contract which was identified as not working for us. So we came out of it. So, obviously there is a tail for marine and motor, and we are seeing that tail coming through now. So that has added a bit to our combined ratio. So just to answer to your question, we are very much ceased to the fact that we need to improve our combined ratio going forward. While that may not happen on a quarter-to-quarter basis, because being in the business of risk, there will be occasions where you will have some kind of an event which kind of increases the combined ratio in a given quarter. But overall, the thinking is very clear in the company that whatever we do must be done to the benefit of our bottom line. So, whatever the management earlier had brought out in these kind of investor calls that we will be looking for underwriting profits that will continue, it is just that it will take some time before we really reach close to 100. Currently, when we closed last year, we were at a combined of close to 109. We will definitely be looking to improve on that year-on-year.

That's for the number first question you had second, of course on the international and domestic 50:50. Yes, that is something every reinsurer would want as part of the diversification that they look for in their books. And that is something we will be looking for. But what we need to understand is, we have to be very clear that how reality is work here. If you look at the Indian market, the Indian market typically grows year-on-year at anything between 15% to 20%. Even the regulator in spite of that has been pushing the companies to grow the market because we still are in a state of underrepresentation the penetration levels for non-life is at 1% which needs to go up substantially. So this is the market which is poised for big growth. And as one of the biggest reinsurer players in this market, obviously our share will also grow. But the rest of the market is not growing in the same way. In spite of inflation coming in the Western markets, we don't see this kind of growth happening elsewhere. So we will be looking at opportunities to grow our international book. Like one of the earlier speakers had asked what we were thinking about and what was the timeline for credit rating, that will be an important thing for us. Once we get our rating back. It opens up good quality international business to us, which we will obviously be looking to write. So as and when that happens, obviously our international to domestic ratios will improve. But as of now I see more opportunities in the Indian market. And we'll continue to look at those and to see how it, gives us benefit.

Coming to your third point. Yes, you are very right in saying that we have a very healthy capital adequacy ratio now, our solvency is at 2.82 which is much, much higher compared to the 1.5 that the regulator is mandating. So, we look at this as an opportunity that we have the buffer, we have the cushion of having a higher capital, and we look for opportunities to write business. In the last three years, after the growth that we had in the last decade, the last three years we have been consolidating, we have been looking at, which part of the portfolio works for us and which does not. That consolidation has helped us in understanding what kind of business appetite we have. It has also helped us in ensuring that our bottom line is back in the black. And we will continue doing that, but now our days of pairing business, our days of de-growth is over. Now that we have got a very health bottom line, as well as a very healthy solvency, we'll look at growing this book, whether it will happen in domestic business or foreign is, at this point a bit difficult to say. But we will look for opportunities everywhere. And wherever we get opportunities that meets with our risk appetite we will definitely grow.

Janish Shah: With regard to the competition, the government is now also opening up the reinsurance business, or rather I would say making it little easier for the other players to enter. How do we see ourselves, I know that there's a 2% reinsurance which is mandatory with the general insurance companies to reinsure. But that business, we don't know like, what point it will be, till what point it will be there or it will go. So, how do we strategize or look at our Indian business in that scenario. Are we still dependent on or in your view, how much is the reinsurance requirement of beyond that 2% mandate will be there for the Indian general insurance companies which you can cater to?

Ramaswamy Narayanan: Right. So the first point is it is not 2% it is 4%. So the obligatory cession, as we call it, is 4%, which means 4% of each and every policy issued in this country on the non-Life side comes to us. So that is the obligatory part that typically gives me a top line of around 10,000 crores today, the rest of the business is actually the business that we write in the market. So are we confident, yes of course simply because we have a fantastic relationship with every cedant insurance company in this country. And we know what kind of business we can get from them, and what kind of business obviously which matches our risk appetite, we are more than confident of getting that. Are we worried about competition, not really, because if you look at it, this market was already, there was already competition in this market. All the reinsurance companies from around the world could write business in this market, right from the earlier days. At that time there was no requirement for them to even open an office here, they could sit wherever they were and write whatever business they wanted to write. And we were competing in that kind of a marketplace. Today, there are companies in this market, there are about 11 reinsurance companies who have opened offices because they are bullish about the growth and profitability of this market. But there are almost close to 300 reinsurers, who are sitting outside and writing this business, whom we call as cross border reinsurers. So, there is a competition, it's not as if people have to come into this country to be competitors for us, there is competition even today and we are managing to get the kind of business that we are looking for. Honestly, writing business is not the biggest challenge here. Because honestly, if we want to write we can easily double our turnover within two years. But the point is, to get the kind of business which gives us value which, improves our bottom line is something that we are looking for, we are extremely confident we have a great relationship with all the companies here. So, we are very confident that, whatever business we want to write, it will be available to us, what gives us confidence in the Indian market is the fact that, it is not just the traditional areas where there is growth, we are looking at new areas of growth, which is going to come in this market. And that is where the insurance companies will look to reinsurers and partners like us to provide that kind of support and we will be there for them. So, we are extremely confident. Thank you.

Janish Shah: And just maybe a little dwelling more on the 100% combined ratio which you said it will happen over a period, is there an internal targets which you have set that by what time, or given the underwriting, which you have right now or you will be undertaking is there any kind of a ballpark timelines where we can expect these ratios to be improving to the targeted levels?

Ramaswamy Narayanan: Unfortunately, no I could give you figures but the reason I'm saying this is, you have to look at it from different angles. One is our domestic market, as a market we still continue to be close to a combined of 120%. So for us to kind of come closer to 100 will be quite a challenge year-on-year. Though we are very close to that, if you actually look at my figures today, my domestic is actually doing extremely well, in spite of the fact that the rest of the market are at 120. I continue to be at a combined of 102 today for the quarter 30.09.23 if you see the figures, my domestic combined is at 102 which is a very remarkable thing. Now, what is happening is, it is the international business which is actually dragging us down. And that has been simply because the last few years it has been the catastrophic losses which have hit and which every reinsurer suffered, and unfortunately this quarter, it has been this quarter and this half, it has been some of the run offs, which business which have been running off, that has been hitting us a bit, and you have to take it with that understanding that honestly we had continued to write that program which we came out of, there would have been enough premium to actually give a better combined ratio. But then we understand that over a period of time, this will become very negative for us. So it was a very tough decision to take a couple of years back when we decided to come out of such a big US related program. But, so even though it is giving us a very difficult time now, I honestly believe going forward, it will ensure that our international book actually becomes healthier. We are already seeing a lot of rate strengthening happening on the property side because of the fact that last few years have been bad due to catastrophic events happening. And we expect to see the benefit of that coming through. So it's a question of, waiting and watching and being ready for opportunities as they come up, I would be very happy to give you a figure or a timeline, but at this stage it is too early. So, there are lot of ifs and buts here, how this market, how the domestic market will improve, what kind of changes will happen, on the international front what kind of business we are able to access simply because of the credit rating, if our credit rating improves very immediately obviously that will be something which will be fast forward. So, there are multiple ifs and buts at this stage, but what I can say for your confidence is that, that is something we are looking at very, very sharply. This is something that we are not willing to compromise on. Getting the underwriting profitability and to come to a combined ratio closer to 100 is something that all of us in the organization is totally committed for.

Moderator: Thank you. The next question is from the line of Ms. Aditi Joshi from JP Morgan. Please go ahead, ma'am.

Aditi Joshi: I have actually three questions. The first one is actually related to your Life portfolio. If I look at the underwriting profit and loss segment for the last quarter, I can see that the Life business had a good underwriting profit. But again, if we look at the previous quarter, it had a bit of loss. So can you please help me understand why we have such volatile portfolio in the Life segment. The second question is actually on the international and the overseas business. So given that we are aiming for a portfolio mix of 50%, 50% and an expansion in the overseas market. So what will be the key product mix going forward when you try to imagine the overseas portfolio. So, I actually wanted to understand will there be a difference or change in the mix or we are going to maintain the current mix that we have in the overseas portfolio. And my actually, second question is related to again the overseas market, just going forward within the overseas portfolio can you please help share your thoughts as in which particular business segments do you think we'll see pricing, price hardening going forward and up to what extent please. And just one last question if I may, it's related to the accounting of the Indian insurance companies, given that we might be adopting the IFRS standards pretty soon in next one or two years. So just want to understand from a management perspective what would be the key impact on the company's key metrics such as the combined ratio reporting or the net profit baseline under the new IFRS accounting of nine and 17. Thank you very much.

Ramaswamy Narayanan: Thanks Aditi. On your first two questions, I will ask my General Manager underwriting Mr. Hitesh Joshi to take it up, on the IFRS side, we'll have our CFO replying to you. Thank you.

Hitesh Joshi: You pointed out, the volatility in Life results for the Q1. There were certain bookings, which were on the higher side and along with the IBNR provided that also higher bookings, there was a certain volatility in Q1, but it is fully ironed out in Q2. If you look at collectively Q1 and Q2, Life is on an even keel.

Ramaswamy Narayanan: And just a point there, Aditi is something that, we believe here, honestly looking at reinsurance companies results quarter-on-quarter, sometimes it's a bit of a problem, because there will be a quarter where you could be affected by something, and because of that the volatility happens. But over a period of time, especially over a period of a year or maybe more, you will see those things ironing out and becoming more normal and more stable. And these are feeling but I guess as analysts, as people in the finance market, you obviously want to see something moving very smoothly quarter-on-quarter, sometimes in certain portfolios, you might find a skew for instance, on the property side for instance, there is something that could happen because if a CAT hits, it hits a market in a particular quarter, and there are no catastrophic events in the next three quarters. Obviously, that one quarter, compared to the other three will look extremely bad. But, I guess over a period of time premiums will flow in and things will look much, much better this is my call, I just thought I'll add to that. On the international, wanted to know what is the product mix that we are targeting.

Hitesh Joshi: Our approach continues to be bottom up. So rather than, and given the thing there has been a discussion on this point earlier also, that if one notices the trend of reinsurance markets globally over the last 10 years, there is increase in segmentation and increasing refinement rather than the usual broad-based approach that okay market is happening by 20%, 30%, maybe 5%. Increase in each territory, each region say US, Europe, Africa, Australia, Indian subcontinent rest of Asia, Japan, China, each territory will have its own unique trend, within each country and region. Again, there will be segmentation in terms of the clients who have suffered losses, losses above average, losses in line with the market and the losses performance recovery is better than the market. So, we are increasingly of the view that we would not like to have a broad brush approach to the market or rather targeting any particular product or a segment. Essentially, reinsurers have a property as a major staple. So, that will continue to be the case, they will also be looking at opportunities in other classes. So, property will be the segment that will be driving. It also is a matter of the demand that is coming up from the clients. This is not a consumer product that I say company can target a particular consumer base. The buyers of reinsurance are cedants who are professionals they know, and they have a specific financial need, solvency need, protection need. So, it is not that I can sell a product to a cedant which doesn't need. So, we have to essentially react to the solvency requirements, capital requirements and the higher purchase because of inflation. So, to an extent this puts us in a reactive mode, but we have to accept that reality. So, we will be actually engaging with the clients and be competitive and we will be looking at our pricing so that we deliver good performance. We will be targeting 50:50 to achieve a better balance, but then as sir earlier pointed out, the domestic market grows much better. So, it is not easy to change this balance. As sir earlier pointed out the rest of the global markets are growing at a much lesser rate. But that is a direction we are taking and it might take longer than we would like to budget for.

Ramaswamy Narayanan: Again, just to add to what he said. So, idea is to be nimble here to look at opportunities not necessarily just say that we will grow here or we will grow in that particular class or territory, idea is to be nimble as an organization and look for opportunities and be ready to accept that. So as an organization, which is small compared to rest of the entities we are just less than 500 people that gives us an opportunity to be quick to react to opportunities that we see in world markets and accordingly decide what meets our risk appetite and what adds value to us. On the third point that you had Aditi which is IFRS our CFO is here, she will be able to take you through.

Jayashree Ranade: IRDAI has mandated insurance companies and reinsurance company to go live on IFRS that is IndAS accounting from 01.04.2025. Yes, we are also in the preparation for that and started implementing this IndAS. Per se, the P&L working will be kind of undergo a sea change. Yes, that's true. However, we are assessing the impact of what it will have, one major positive point for us is since we are having most of the contracts which are general insurance related to each other a short term contract, we do not have a long term much of an impact. So, more or less our current position will not get affected too much by the change in the accounting, the profitability due to this accounting change. We just want to expect it but of course, we have not yet come out with entire working and that's why we cannot say so, but this is one positive thing which has been in the mind for the company to go ahead. Is it okay?

Aditi Joshi: Yes, sure. Just a one more follow up on that, I understood that because the liabilities and because of the general insurance contract and the short term in nature would not be affected much, but I've seen that there has a little bit impact on the premium side as well. So, is there a factor that the premium reporting something like that the top line will be affected a bit and also on the asset side will we be having any substantial fair value gains sort of things coming in from the asset side as well?

Jayashree Ranade: About the asset side, we have to devise our accounting policies to suit the current philosophy of the company. So whenever we say fair value gains are there in the books, we have to design our strategies or policies to suit that okay, how much we will take it under fair value through P&L and fair value through other income. So, we are in the process of doing that. So suitably it will be done. As regards premium roughly it is kind of estimation basis and since the premium is also when you see that it's a contract which is for short term, the premiums are also coming through in a short period. So this is where we feel that within a year we will be able to kind of record the premium with estimation methodologies and other accounting techniques.

Ramaswamy Narayanan: Its one area where you are right that there will be changes because currently if you see IRDAI, it doesn't allow too much of estimation to be done, it is all supposed to be on actual receipt of accounts from insurance companies. So with the result, if you see our figures, vis-à-vis the previous years, you will see a difference there in the way we are accounting for it now. But going forward, our understanding is IFRS will start with the assumption that premium would be estimated at the beginning and then it would be taken forward. So we are waiting and watching to see how it will affect our business. We are glad to have a very strong partner in E&Y who will be helping us do this they are already on board. Some gap assessment is being done now. And we are well on time compared to the time the IRDAI has given us to implement this thing.

Aditi Joshi: Thank you so much. Just one more question I had and it was like, regarding the pricing hardening outlook, let's say for the rest of the year and for the 2024 as well. Especially in the overseas business line, which are the particular business segments in which you are expecting further pricing hike, thank you.

Ramaswamy Narayanan: We are definitely expecting price hike in the property segment. That's where all the action seems to be because there have been huge losses in the past years. In the year gone by, which is the current year we have definitely seen price hikes as well as changes in terms and conditions of the contracts. We expect that to continue, maybe there will be steadiness in areas which have not suffered too much losses this year. But those areas which have suffered losses, we would continue to see risk adjusted rate changes happening.

Moderator: Thank you. The next question is from the line of Mr. Karthikeyan an Individual Investor. Please go ahead sir.

Karthikeyan: I have a follow up question. The management released a presentation on 16th of October, which is quite comprehensive and a lot of data points and all that. So can we see that coming out every quarter, sort of updated every quarter?

Ramaswamy Narayanan: So Karthikeyan, what happened was as part of our initiative in speaking to investors and analysts like yourselves, and trying to ensure that the market understands what we are doing. We had a kind of a roadshow in Mumbai a non-deal roadshow, where we met a few analysts and mutual funds and things like that, just to tell them what we are doing, and what to expect from us. So that is where this was done. Yes, going forward, we'll keep doing it. I'm not too sure whether we'll do it every quarter. But then we'll definitely ensure that we will, be in touch with investors and analysts because one of the feedbacks that we got, this time when we met the investors was that, not too many analysts seem to be tracking our stock. So that is why, there doesn't seem to be too much interest amongst people to have a relook at our stock. So, that is something that we will be doing going forward, we will meet as many analysts as possible, pitch our case, show what we are doing. And if that, causes interest to go up, we are more than happy to keep the market informed about whatever things we are doing either in the Indian market or abroad. Of course, we are also awaiting our credit rating to happen as and when it happens this month, we'll definitely keep the market appraised of that. Going forward, you can definitely expect more information to come out of GIC about its business and what it is doing positive.

Karthikeyan: So I'll follow up on that. The reason why the analyst community is not sort of coming forward, say if a company of this size and caliber comes out results, we don't see any reports coming out of that, unless analyst writes about the company. So if you give data of that clarity that are being seen on the 16th October, then there'll be a lot of interest. So, the data has to be updated, if it gets changed every quarter or every half yearly. But if the data is not updated and presented, then how will people come, get curiosity and interest in the company.

Ramaswamy Narayanan: True. So yes, that's what I said there'll be more information coming out of us. We're still in the process of finalizing, kind of a calendar where we can do all this, but you can definitely expect more information coming out of GIC so that people can track us, can get the necessary information and the interest levels will go up.

Moderator: Thank you. Ladies and gentlemen that was the last question for this session. I now like to hand over the conference to the management for the closing comments.

Ramaswamy Narayanan: Thank you everyone. That was a good interaction and we hope to continue, like I said as a corporation, as a company. We are very clear in our mind that we should ensure that our stakeholders at all levels benefit from their interest in us. So whatever that needs to be done to ensure that we will continue to do, there'll be a lot more information coming out of GIC which will help you as a investors fraternity and the analyst fraternity to understand what we are doing, whether we are doing good or bad, and on that basis to give us the feedback and on that basis to ensure that the interest level from the stock goes up. We will continue to do as the management of the team, will continue to do the work that we have been doing in terms of ensuring that our bottom line improves, our combined ratio improves, and overall the business mix adds value to the bottom line and to the balance sheet. I thank you very much all of you for being here and to share your thoughts and take this opportunity to wish you and your family a very Happy Diwali and Prosperous New Year. Thank you.

Moderator: Thank you sir. On behalf of General Insurance Corporation of India Limited that concludes this conference. Thank you for joining us and you may now disconnect your lines.