GIC Re

Ref. No.: GIC-HO/BOARD/SE-Q1-T/173/2026-27

Date: 20th August 2026

To,
The Manager
Listing Department
BSE Limited
25th Floor, Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400001

To,
The Manager
Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor, Plot C/1,
G Block, Bandra Kurla Complex
Mumbai - 400051

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

Sub: Transcript of conference call held with Investors and Analysts to discuss the Unaudited financial results for the quarter ended 30th June 2026

Dear Sir/Madam,

In compliance with Regulation 30 of the 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 Monday, 17th August 2026, to discuss Unaudited Standalone and Consolidated financial results for the quarter ended 30th June 2026.

Kindly take the above information on record.

Thanking You.

For General Insurance Corporation of India

सतीश कुमार

Digitally signed by SATHEESH KUMAR S
Date: 2026.08.20 16:00:00 +05'30'

(Satheesh Kumar)
Company Secretary & Compliance Officer

Encl.: A/A

"General Insurance Corporation of India Limited

Q1 FY27 Earnings Conference Call"

August 17, 2026

MANAGEMENT: **MR. HITESH JOSHI -- CHAIRMAN CUM MANAGING DIRECTOR – GENERAL INSURANCE CORPORATION OF INDIA LIMITED**
MR. SANJAY MOKASHI – GENERAL MANAGER AND CHIEF UNDERWRITING OFFICER – GENERAL INSURANCE CORPORATION OF INDIA LIMITED
MR. RAJESH LAHERI – CHIEF FINANCIAL OFFICER – GENERAL INSURANCE CORPORATION OF INDIA LIMITED
MS. RADHIKA RAVISHEKAR – CHIEF INVESTMENT OFFICER – GENERAL INSURANCE CORPORATION OF INDIA LIMITED

MODERATOR: **MS. NIKITA – ERNST & YOUNG**

Moderator: Ladies and gentlemen, good day, and welcome to General Insurance Corporation of India Q1 FY27 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 star then zero on a touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Nikita Atri from EY. Thank you. Over to you, Ms. Atri.

Nikita Atri: Thank you, Renju. Good morning to all the participants on the call, and thank you for joining Q1 FY27 earnings call for General Insurance Corporation of India. Please note that we have mailed out the press release and presentation to everyone, and now you can see the results on our website. It has been uploaded on the stock exchange as well. In case you have not received the same, you can write to us and we will be happy to send it over to you.

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 viewed in conjunction with our businesses that could cause future results, performances, or achievement to differ significantly from what is expressed or implied by such forward-looking statements.

To take us through the results for the quarter and answer our questions, we have with us Mr. Hitesh Joshi, Chairman and Managing Director, and other top members of the management at GIC. We will be starting the call with a brief overview of the quarter gone by, which will then be followed by the Q&A session.

With that said, I will now hand over the call to Mr. Joshi. Over to you, sir.

Hitesh Joshi: Good morning, ladies and gentlemen, and thank you for joining us for GIC's earnings call covering the first quarter FY27. As we begin FY27, the global reinsurance industry continues to demonstrate resilience supported by strong capitalization and sustained demand for risk transfer solutions. While abundant market capacity has resulted in increased competition across certain segments, particularly within property catastrophe reinsurance segment, underlying industry fundamentals remain supportive and continue to provide opportunities for profitable growth.

In this environment, portfolio quality and prudent risk allocation remain key determinants of performance. Reinsurers continue to focus on maintaining risk-adjusted returns through selective underwriting and active portfolio management, while investment income remains a meaningful contributor to overall profitability.

Against this backdrop, GIC remains well-positioned to navigate evolving market conditions, supported by its diversified business profile and strong financial foundation. We continue to focus on delivering profitable growth while creating long-term value for our stakeholders. We now look at some of the key highlights of our financial performance.

Gross premium income for Q1 FY27 stood at INR13,475.36 crores compared to INR12,388.01 crores in the corresponding period of the previous year. Investment income for the quarter stood at INR3,265.51 crores, vis-a-vis INR3,313.74 crores in the corresponding period last year.

Incurred claim ratio for the quarter was 85.04% as against 90.42% in the corresponding quarter of the previous year. Combined ratio for the quarter stood at 104.88%, compared to 106.94% in the corresponding period last year. Profit before tax stood at INR2,490.25 crores for quarter 1 FY27. Profit after tax was INR1,922.04 crores for the quarter. Solvency ratio improved to 4.32 as on June 30, 2026, as compared to 3.85 as on June 30, 2025.

The quarter delivered a marked improvement across key underwriting metrics. Lower claims experience and an improved combined ratio contributed to a meaningful reduction in underwriting losses. The improvement in operating performance reflects the continued benefits of portfolio actions undertaken over recent years and demonstrates the resilience of our business across market cycles.

As we progress through FY27, our priorities remain centered on maintaining portfolio quality, prudent deployment of capital, and disciplined risk selection. While competitive intensity has increased across certain markets, we remain focused on opportunities that meet our return expectations and support sustainable value creation over the long term.

With a healthy solvency position, diversified portfolio, and strong financial foundation, we believe GIC is well-positioned to deliver consistent performance while continuing to support the risk protection requirements of clients across domestic and international markets. Thank you.

With that, we now open the floor for questions and answers.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Avinash Singh with Emkay Global.

Avinash Singh: One question on domestic Indian reinsurance market. What we have seen, I mean on the fire or rather commercial side, in the primary market there have been a steep price decline. The cause of this, of course, is the reinsurance support capacity and the kind of prices available are far, far lower.

Now, can you comment on the prevailing market condition if we were to segregate the reinsurance players or say like GIC, and then you have many of the foreign global insurer branches, and third would be maybe offshore and the new shops in GIFT City. Which of these players have been very, very aggressive that has led to this situation?

And secondly on that, if the experience in terms of the natural or manmade catastrophic continues to be benign, that has been the case for last 1, 2 years that has led to this pricing. Do you expect this pricing condition to further deteriorate? Second, if you can provide some updates, a rough assessment. Are the losses from the recent flooding activity, particularly in the states like Gujarat and all, that is going to be material to cause losses to some of the reinsurers. So what will be your assessment of this recent flood-related losses in some of the states?

Hitesh Joshi: Starting with your market segmentation in terms of, say, Indian reinsurers, the foreign reinsurer branches, maybe the Gift City players and the cross-border reinsurers. Given that the global capacity is ample and fairly surplus, the aggressive stance of the reinsurer is all around. There may be some nuance to a particular reinsurer's approach, but overall, almost all players have displayed competitive behavior. So that is the first question you put. Second question is that what we expect in terms of the price deterioration or competitiveness.

We believe that to the extent the players in the GIFT City will try to scale up their operations, their competitive behavior may continue. But as you also pointed out that there are flood losses. We have to see how soon the figures come in, how the claims develop, and what will be the experience of the players all around, and whether they react to the claims experience, whether the claims quantum is enough to influence their behavior. I think these are the levers which we need to watch before we conclude anything. Coming to the third point regarding the quantum of flood losses, as we usually tell you that it takes a bit of a time before the figures travel to us.

In terms of our experience, it has been our stance that whatever might be the market losses, our losses from cat events tend to be around 30% to 40%. So if there is any estimate available with anyone for any flood event, we could be having a participation of 30% to 40%. Avinash, does it help?

Avinash Singh: Yes. One follow-up, if I may. Now, if I see in this quarter, you have kind of grown and retained life reinsurance piece meaningfully. Now, historically, you have been typically more of a general insurer side insurer than life. But last 5, 6 years, you have been growing in life as well.

But overall experience on the life side including that unfortunate COVID year, COVID Delta wave. The life side, you have not been making much profit. Now, in this backdrop, what has led to this growing so much in life? Has the pricing environment been supportive or is it that, okay, in order to gain market share, you have gone a bit aggressive here. So if you can help us understand your strategy around life.

Hitesh Joshi: I agree with you that for us, life is a focus area and will continue to grow. Coming to the performance and results, I think it is probably too short a period to judge on this portfolio. We have during various earnings call and also other interactions have indicated the reasons, particularly the reserve strengthening carried out. So I would suggest that life portfolio needs to be watched over a period of couple of years, because ultimately it continues to remain competitive and one has to watch a particular segment over a cycle rather than a couple of years.

Moderator: Next question comes from the line of Sanketh Godha with Avendus Spark.

Sanketh Godha: My first question is on overseas combined ratios. I have seen for many years, for the first time probably you reported an underwriting profit with 95 combined. And I see bulk of the improvement happened in fire segment, which is a dominant piece in your overseas business.

Just wanted to understand what materially changed in overseas business, which led to this improvement in the overseas segment, whether this is structural, transient? Given you even alluded to the concept pricing competition or the market is still soft and the international markets will improve the numbers. Just wanted to understand color here, ~~sir. Hello?~~

Sanjay Mokashi: On foreign portfolio, our focus has been specific more because it has not produced desired results in the past. So we are looking at our portfolio class by class. We are also looking at our underwriting guidelines, our underwriting approach, if anything needs to be changed in terms of our past experience. But having said that, I would add that quarter result may not be an indication of the entire efforts that we are putting in improvement of the portfolio.

Sorry for that interruption. I am not sure where we lost the line, but just to recap quickly, as I mentioned that our focus has been on foreign portfolio, which has not performed to our expectation, and we are looking at every portfolio carefully and taking necessary action. Having said that, I would suggest that one quarter result may not give an entire picture of what has changed in the portfolio. There is some amount of seasonality in foreign portfolio, and I would suggest that let us wait for further quarters to develop, to look at exactly how the portfolio is developing in terms of our expectation.

Sanketh Godha: Understood, sir. Yes, sir, but just a follow-up, sir. Given we were at 120% in last year in foreign portfolio, and given we started at minus 95%, is it fair to say that there could be at least 10, 15 percent improvement in the combined ratio? Even first quarter is not a true representative compared to what we experienced last year.

Sanjay Mokashi: Although we have taken measures on both property and motor, which are our significant portfolios, even aviation, although it is not a significant portion of our foreign portfolio, we are looking at it very closely and taking necessary action in terms of how we can improve the quality of the portfolio. I would still say that the first quarter may also involve some accounting entries as well that may not be exactly resulting in the outcome that we expect. We expect the foreign portfolio to increase significantly. At this stage, we would refrain from putting a number to it. Although over 3 to 5 years, we have set goals for ourselves.

Sanketh Godha: Understood, sir. Sir, but given the prudence, probably is largely the reason why overseas business did not grow in the current year because there was an expectation that with rating upgrade, probably your foreign business will do well in the current year. But in the quarter, we have declined by 6%. So anything to read there?

Sanjay Mokashi: Yes, it is a reflection of how we are looking at our portfolio. I had mentioned this in the previous quarter results also, that particularly in motor, we have taken corrective measures in respect of contracts which were not developing in the desired way. We have taken some hard decisions in motor. We are also streamlining our aviation portfolio. We are having a close look at our overseas cargo portfolio.

Having said that, property having the maximum share in the portfolio, that is also a focus area. Yes, we will improve our portfolio, but I would suggest that we wait for further quarters.

Sanketh Godha: Understood, sir. Sir, just want to understand that your domestic, clearly there is softness in the fire market. I am assuming that it would have declined for us too in domestic business. But we still reported 12.3% growth for the quarter, and it seems to be driven by largely health. When I see the combined ratio also, to some extent, it seems to have deteriorated either because of motor or health in the domestic piece.

Just wanted to understand your strategy, whether health, what exactly businesses you are writing, whether you think profitability will be there in this line of business. Consequently, if you can even give me a color, what kind of combined would be there in the domestic business from a full year perspective, given it has deteriorated in quarter on sequential year-on-year basis?

Sanjay Mokashi: Yes, you have rightly observed that health, we have grown in other than property segment. Property being the way on the direct side, there is heavy competition in the property segment. In other segment too, there are competitive pressure, but our focus has been in growing other than property segment in this particular year. As far as health is concerned, our focus is more on the retail health segment rather than the corporate or group health segment, where we believe the profitability lies. The nature of health portfolio is such that there is a significant portion of obligatory there.

So obligatory portion will reflect the market growth, and the non-obligatory portion gets influenced by certain major contracts. If we win those contracts, you will see spike in our health portfolio. If we don't win that contract, you might see a dip in that particular portfolio. Health, we have been able to write certain contracts, the targeted contracts, which show the growth segment. As I mentioned that we have been focusing on the retail healthcare.

In motor, yes, there has been deterioration in domestic motor portfolio. It is largely from the treaties that we have written in the past. There are competitive pressures on the motor segment, but it is developing to our expectations.

Sanketh Godha: Understood, sir. Just last 2 points. One, given today morning, IRDAI gave an advisory to reinsurance market that you cannot give such huge discounts like 99% to the benchmark rate. Given there is an advisory from regulator in the morning on their website, is it fair to say that some sort of discipline probably in Indian domestic fire market or property market can come back a bit?

Sanjay Mokashi: Sir, IRDAI has issued a directive on July 22 as well in property segment where they have flagged the rates being quoted on the direct side. We are in touch with insurance market, with the insurers, and we are having conversation with them as to what measures they are taking in response to IRDAI directive. It is only a guidance, so let us see how the impact will be over next 2 to 3 quarters.

Sanketh Godha: Understood, sir. Lastly, you just did not answer this question on domestic. We reported in the quarter 107.5 combined. How do you see full year to playing out? Is it to be better than the last year? Or you think it could be similar given you have CAT events and also motor is generally deteriorating for the industry, and you have a pressure in fire segment too.

Sanjay Mokashi: The major renewals in the domestic segment are on 1st April, and we have used whatever handles, reinsurance tools we have, whereby we support the domestic insurers as well as we protect the interest of all our stakeholders. Yes, on one hand, there are competitive pressures in the market. On the other hand, we have taken certain measures on the reinsurance side, and let us see how the results pan out.

Moderator: Next question comes from the line of Karthikeyan K, an Individual Investor.

Karthikeyan K: I have a couple of questions related to growth. What is the growth that you are expecting for the domestic and international? Now considering the fact, I mean, the lot of portfolio pruning and all that you are doing. Next question is, we are continuously seeing the losses in life. When are we going to see a turnaround in that portfolio?

Sanjay Mokashi: In terms of growth, we have set a target of roughly about 10%. It varies for domestic and foreign. In foreign, we would expect a more pronounced growth than the domestic market.

That is about growth. We will also be managing the cycle. There are soft cycle and taking a review mid-year this year as to whether our growth target needs to be relooked, needs to be revised based on our experience mid-year.

In terms of losses in life, as our CMD, sir, in his opening remark mentioned, or in one of the answers to one of the questions you mentioned, that life re results need to be seen over a cycle rather than for a short period of time.

Hitesh Joshi: Our stand remains what we have earlier advised that in domestic market, despite the competitive pressure, our goal will be to maintain our market share. On foreign side, to the extent we have got our rating back, and we are in touch with all the cedents and markets where we lost our business, which we had prior to rating downgrade. So we will be trying to inch up on all those aspects. At the same time, the pruning will continue, and our guidance on overall underwriting performance improvement remains.

Karthikeyan K: I completely understand on the foreign part. At one point of time, we had almost INR18,000 crores of premium coming from foreign portfolio. Is it possible to reach that maybe in couple of years? Maybe next 2 years.

Hitesh Joshi: Maybe not in a couple of years because of the significant softening trends, the same exposure is coming at a lesser premium. But maybe not in 2 years, maybe 3 or 4 years. While we have the broader targets and goals and direction, we are not really keen on pursuing those targets at the cost of overall risk-return optimization. We are very much focused on return on equity and shareholder value creation. All these targets will be directional but not driving our decision making.

Karthikeyan K: Got it. And sir, see the credit rating upgrade to A, any timelines you have in mind?

Hitesh Joshi: That is difficult to say because there are very many factors in terms of the business model, the global softening trends, and where we end up in terms of our financial and business competitive position. Also, there are 2 major developments which are in the offing, the IFRS and the RBC. It is not really possible to give any timeline, but if things go all right, probably one can expect in a period of, say, something like 4 to 5 years.

Karthikeyan K: Okay. You had mentioned in some interviews, like your company has to focus on specialty insurance. I mean, rather than going for, say, fire or property in the international market. How big is an opportunity the specialty part and can you elaborate on that part?

Hitesh Joshi: See, as a global reinsurer, I think the entire global markets are available. It is basically approaching those markets and picking and choosing one's risk selection, one's path in building a risk portfolio which is so very material. Because if you look at, say, GIC's market share globally, it will be fairly small because this market is essentially dominated by, say, Europe and U.S. So given the market share that GIC has on the international book, the scope is tremendous. All the classes, specialty classes, casualty. But it also requires a different level of skill set. So we have to have a calibrated approach, and that is what we are planning to pursue.

Karthikeyan K: Okay. So one final question. The presentation or whatever is put in the website, the investment slide is showing the March data rather than the June end data.

Hitesh Joshi: We will correct it if there is a mistake. We will take a look at it.

Karthikeyan K: That's fine, but I just want to know what's the current investment book like. I mean, from debt, equity, and money market and all other parts, what's the current size of the book by end of June?

Radhika Ravishekar: This is Radhika Ravishekar, the CIO. 73.4% is in the fixed income securities, sir. Around 17% in equity and around 8.67% or something in money market instruments.

Karthikeyan K: What is the quantum of the book? I mean, it was like INR117,000 crores as of the end of March.

Radhika Ravishekar: INR120,000 and odd crores on book value basis. Market value is INR152,000 crores.

Management: INR157,000 crores.

Radhika Ravishekar: Sorry, INR157,000 crores.

Hitesh Joshi: Essentially, the share of debt in our book-on-book value basis doesn't fluctuate much because it is a fairly stable book. We are not planning to reduce our equity share in a very major way, which continues to be around 17%.

Moderator: Next question comes from the line of Jenish Shah, an Individual Investor.

Jenish Shah: I have 2 questions. One first is with regard to the Gujarat flood. Basically, you mentioned that the numbers are still coming. Is there anything which is provided right now in the numbers in the Q1 results? That is first question.

Second is a bit on the growth and the profitability. You are trying to balance both of it. But it seems like for last couple of years, you have been setting the target, especially on how the business looks like in terms of an international. You aspire to be 50/50. But it looks like we are still on the downhill path, at least on the international side.

And there are headwinds to go up in that number. Profitability, obviously, the job has been much better than expected, and I congratulate on that. But looking at this current environment, your aspiration to reduce that combined ratio by one percentage point every year, how feasible that looks like in this year and the next year for the profitability to perform in the business? And the third is on the obligatory part. I have seen this quarter, the obligatory portion has been around 33% of the domestic book.

Is it the new norm that we are looking at that the obligatory side of the book is going to see a lower contribution? Although I have also observed that has come with a little bit of a higher combined ratio on the domestic side. Usually, you have been around 102, 103. This time it has been 107. If you can give a little understanding about these 3 aspects, how are these going to shape up in this year and maybe next couple of years for you in this aspect?

Hitesh Joshi: So to start with Gujarat flood, our provisioning is INR400 crores plus.

Management: INR440 crores.

Hitesh Joshi: INR442 crores.

Management: INR440 crores.

Hitesh Joshi: INR440 crores. That is the provision we have made in the Q1. Thank you for recognizing that there are better profitability trends than your expectation. 50/50 that we talk about domestic versus international is fairly a long-term goal, given that the domestic market continues to be the growth driver globally in comparison to the other global markets. As you rightly recognized, and we agree fully that it is an uphill task.

So 50/50 is absolutely long-term goal. What we are presently targeting with a medium-term in view is 60/40. But again, our goal will be 60/40, but as I said that domestic market outgrows the global market, so it will be a tough job. We continue to try to optimize the risk-return balance, and that is where our entire energy is devoted. As I said that these targets are just targets.

They can't drive the decision-making beyond a point. Now, coming to the 1% improvement, we have further drilled down, and we are now differentiating between domestic book and foreign book. And we would like to have combined ratio target for domestic book at something like 103 and the foreign book at 95 in line with the global markets. So that is what we should be targeting. That is the global trend in terms of the reinsurance market profitability.

Jenish Shah: Is there any timeline to it?

Hitesh Joshi: Timeline, I think we are fairly close to 103. 95, again, we feel that probably in a span of 2 to 3 years. Again, coming to the third question that I think you are right that it is our effort to grow our non-obligatory book. I think that is partly getting obvious from the figures.

Jenish Shah: Yes. Is it going to come at the cost of the profitability? Other speakers also mentioned that life insurance is a new area, and that's where the losses are still coming in, and your experience is very new to it. Is that an experiment which we are doing to mitigate the effect of the obligatory side of the business?

Hitesh Joshi: We will be mindful of the profitability. I would not at all agree that we are experimenting. Our book in life has been fairly stable at around a 20% market share. Now that we are going to focus, it will grow. It is certainly not an experiment. It is backed by actuarial analysis and all the analysis that is usually available to a reinsurer.

Jenish Shah: Okay. Lastly, in spite of all that observation, been following this company for last 3 years and have seen consistent improvement in the performance of the company. Although the growth rates have been a little bit slower than what I've expected. But in terms of the shareholder returns, it's nowhere near the expectation. You also recently the government has reduced its stake.

But it looks like the market is not recognizing the kind of performance which you have, which you've been delivering. Is there any thoughts around and, of course, the one part which I want to also mention about is the capital. I think the capital is far more-- the solvency ratio which you're following is far more higher. And with the kind of performance that you have, it will keep ballooning. Your return on equity is absolutely online, but I'm saying what is lacking here is a growth.

I think the profitability is already you've achieved, but the growth is still lacking, and that's one reason why probably it looks like to me that the market is not recognizing. So maybe on 2 part, one on your call on the market, is there anything which the management is mindful about having the kind of valuation it's been trading in the market? The second is about the capital. What's your plan on capital? Because it keeps increasing very fast in the absence of growth.

Hitesh Joshi: Our rising solvency at 4.3 has to be seen in the context of the improving performance. The conservative approach that we have followed because we have come out of a rating downgrade and we are aspiring for now the next level, which is A from A minus. At the same time, we also have to keep in mind that we are in the phase of implementation of IFRS and RBC.

Any growth globally in terms of reclaiming our business that we had as an A-reinsurer, getting that business back takes time, and that is why this entire focus on rebalancing the catastrophe exposures on property side as well as growth in casualty on the international side.

We are very much mindful, but I think we will have to be a little patient, and our focus will continue to be on more on profitability versus growth on the specialty and global book. Maybe solvency will come down gradually. We do not want to grow at the cost of profitability.

Jenish Shah: Okay. Any thoughts on the shareholder value creation, sir? Thank you.

Hitesh Joshi: I think we will continue to be focused on our return on equity, and you can expect some improvement. I think when we are talking about 1% overall improvement in combined ratio or, say, domestic getting targeted at 103 combined ratio and foreign at 95 over a period of, say, something like next 2 to 3 years, that should give you some idea as to what will be the improvement in return on equity.

Moderator: Next question comes from the line of Saima Ali, JP Morgan.

Saima Ali: I had 2 data keeping questions. First was, what is the split of your investment book by market value in terms of equity and debt? Also, second question was, if your investment book on the market value basis incorporates your mark to market for NSE, like your share of investment in NSE.

Radhika Ravishekar: Yes, this is Radhika Ravishekar again, the CIO. Market value as told is INR157,800 crores. That includes only equity, which is around INR58,000 crores, because debt is kept at cost only in ours as it is held to maturity. Regarding your second question regarding NSE, it includes NSE also.

Moderator: The next question comes from the line of Shubham Kothari, an Individual Investor.

Shubham Kothari: Yes, thank you for the opportunity. I had a few questions. The first one, I was seeing the investor presentation, and in that the slide which explains the net worth excluding fair value change. In Q1, it has fallen from INR51,000 crores to INR45,000 crores despite us reporting a profit. Can you please explain why has this fallen, the net worth?

Hitesh Joshi: I think our net worth has only increased. We will recheck the figures. Because excluding fair value, there is no reason for the net worth to drop.

Shubham Kothari: Exactly. Yes. Because there is a significant drop of almost INR6,000 crores from March to June, so I was not sure why it is dropping.

Hitesh Joshi: We will check and we can come back. If you can share your contact details or maybe contact us.

Shubham Kothari: Yes, sure. That's the first question. Second one, I'm seeing the net worth, including fair value change from FY 2024 to FY 2026, and it is largely being flat from INR81,000 crores to INR84,000 crores. That's been the range. Whereas our profits have been almost INR7,000 crores to INR8,000 crores on a yearly basis.

Can you help me understand why the net worth, including fair value change, has been flat despite profits? If this is the IFRS linked net worth, then does that mean our ROE at an IFRS level would be like broadly zero to 2% range?

Hitesh Joshi: We are yet to get into IFRS regime for the corporation. Whatever is the change in fair value is only entirely because of the...

Shubham Kothari: Fair value changes in quarter to quarter.

Hitesh Joshi: It is entirely because of the reduction in fair value.

Shubham Kothari: Which is fine. I understand it could be because of your equity market value changes, the investments which you do. But then why is the net worth being flat between that INR80,000 to INR84,000 levels for the last 3 years, despite good profitability? Is it good to assume that the profits which we have reported has been offset by, let's say, reduction in the fair market value of the equity investment?

Hitesh Joshi: That has to be the only answer.

Radhika Ravishekar: There is a small reduction.

Hitesh Joshi: Yes, I agree. What you say is correct.

Radhika Ravishekar: INR11,000 to INR15,000.

Shubham Kothari: Okay. That is a significant number, net worth is flat for the last 3 years.

Hitesh Joshi: Without fair value, I think it is very positive.

Radhika Ravishekar: Including fair value.

Hitesh Joshi: Yes.

Moderator: Ladies and gentlemen, the management line has been reconnected.

Hitesh Joshi: Mr. Shubham, are you there?

Shubham Kothari: Yes.

Hitesh Joshi: What you say is correct. I think almost entire change on the net worth, including fair value, is on account of essentially market value changes. You are right in including the profit or whatever is the financial performance, changing the net worth. The only variable which is moving this is market value, fair value.

Shubham Kothari: Okay, which also will largely be from equity, because the other fixed income instruments would not really have a falling value.

Hitesh Joshi: No, we only mark to market and consider fair value for equity, not for debt. The entire explanation has to come from fair value.

Shubham Kothari: Okay. It is quite a significant number, so would be good to understand maybe next time the details around that. Why has the fair value reduced so much?

Hitesh Joshi: Sure.

Shubham Kothari: And last our Q1 performance in terms of consolidated profitability, that came lower than the standalone profit. I maybe missed the first part of the transcript call. Can you explain which subsidiary is causing the loss and what was the loss reason?

Rajesh Laheri: This is Rajesh Laheri, CFO. There is no loss per se, but the profit has decreased basically. For AICL, this has decreased by almost 60%. Decrease is there in their profit for this quarter. This is very first quarter, so it is not the real indicator for the full year. Other associate companies we have seen some losses also. Similarly, for other subsidiary companies, there are some changes actually happening in the very first quarter. That is why this figure is a little lower.

Shubham Kothari: Okay. The guidance for the entire year at a consolidated level would still be slightly -- gross in terms of profitability?

Rajesh Laheri: If you want to know subsidiary company-wise, South Africa, we have shown INR287 crores loss during this quarter, and Moscow some INR29 crores loss from the subsidiary. That has resulted into the lower figure compared to last year in consolidated operating profit. Okay?

Shubham Kothari: Okay.

Moderator: Next question comes from the line of Anushree, an Individual Investor.

Anushree: My question is just a very plain one on the business. As we could see from the financials and annual reports that the company has been growing share in its health insurance business. If we speak very macroeconomically, obviously the medical costs here in India are rising, and that is one reason, the prominent reason why we see the health insurance sector to be riding a lot of premiums.

My question is, an increased business in health insurance can bring a lot of reinsurance business for the company, but doesn't it mean also a lot of claims could be settled, a lot of claims can actually come in? While the focus is on improving the underwriting, I mean, the combined ratio, doesn't the growing business in health insurance mean a lot of claims could come in and then that could affect the profitability?

Sanjay Mokashi: Yes, Anushree, your observations are right that health insurance is growing because of medical costs. But health insurance is also growing because a lot many new buyers are buying health insurance.

With regard to your specific question whether the portfolio growth can bring more losses, the answer is on reinsurance side, we are focusing more on the retail segment rather than the corporate or group health segment.

And our observation, our analysis shows us that it is this segment which is more loss-prone, and retail is a better performing segment. With this measured and calibrated approach, we hope that whatever happens on the direct side, we get protected on the reinsurance side. Hope that answers.

Moderator: Ladies and gentlemen, as there are no further questions, we have reached the end of question-and-answer session. I now hand the conference over to the management for closing comments.

Management: Thank you all for joining in. As we have explained and we have elaborated on our philosophy towards the business, profitability will be the driving factor as compared to the growth. We have now further subdivided our targets for domestic underwriting combined ratio and foreign combined ratio. We hope to do a much better job going forward in line with what we have been doing. Thank you for engaging. Have a good day.

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