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GIC Re

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To,

The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai – 400001

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)

Dear Sir/Madam,

Sub: Transcript of conference call held with Investors and Analysts to discuss the financial results for the quarter ended 31st March 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, May 26, 2023, to discuss financial results for the quarter ended 31st March 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: 2023.05.29 18:03:54 +05'30'

(Satheesh Kumar)
CS & Compliance Officer

“General Insurance Corporation of India Limited Q4 FY23 Earnings Conference Call”

May 26, 2023

MANAGEMENT	**MR. DEVESH SRIVASTAVA – CHAIRMAN AND MANAGING DIRECTOR, GENERAL INSURANCE CORPORATION OF INDIA LIMITED** **MR. HITESH JOSHI – GENERAL MANAGER, GENERAL INSURANCE CORPORATION OF INDIA LIMITED** **MS. JAYASHREE RANADE – CHIEF FINANCIAL OFFICER, GENERAL INSURANCE CORPORATION OF INDIA LIMITED** **MS. RADHIKA RAVISHEKAR – CHIEF INVESTMENT OFFICER, GENERAL INSURANCE CORPORATION OF INDIA LIMITED** **MR. RAJESH LAHERI – ASSISTANT GENERAL MANAGER, GENERAL INSURANCE CORPORATION OF INDIA LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to General Insurance Corporation of India 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 Ernst & Young. Thank you, and over to you.

Binay Sarda: Thanks, Michelle. Good morning to all the participants on the call and thanks for joining this Q4 FY '23 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 you have not received the same, you can write to us and we'll 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 result, performance or achievement to differ significantly from what is implied by such forward-looking statements.

To take us through the Results of this Quarter and answer our questions, we have with us the management of GIC represented by Mr. Devesh Srivastava – 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, and then we'll follow it up with a Q&A session.

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

Devesh Srivastava: Good morning, everyone. I'm pleased to announce the "Financial Performance" for the Quarter Ended March 31st, 2023.

Over the past year, our unwavering commitment to refining or underwriting practices has been instrumental in driving a significant improvement in our combined ratio, positioning us for enhanced profitability and sustained growth. Moreover, the hardening cycle has helped us in our endeavor to enhance our performance at the underwriting level. Our goal has always been to maintain a healthy combined ratio and I'm proud to say that our efforts are paying off. Our relentless pursuit of excellence coupled with strategic initiatives and a prudent approach has resulted in a significant improvement in our overall performance, positioning us for a promising future and a better outlook.

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

The gross premium income of the company was Rs. 7,369.74 crores for Q4 FY23 as compared to Rs. 10,303.81 crores for Q4 FY22. The investment income increased to Rs. 2,897.21 crores in Q4 FY23 as compared to Rs. 2,826.59 crores in Q4 FY22. Incurred claims ratio declined to 73.7% in Q4 FY23 as compared to 96.9% during the last quarter, this is significant. Combined ratio in Q4 FY23 declined to 89.16% versus 116.21% during the last quarter. The adjusted combined ratio by taking into consideration the policyholders investment income works out to 86.95% for FY23 as compared to 93.11% in FY22. Profit before tax increased to Rs. 3,004.26 crores in Q4 FY23 as against Rs. 3,614.05 crores in Q4 FY22 and profit after tax increased to Rs. 2,563.84 crores in Q4 FY23 compared to Rs. 1,794.68 crores in Q4 FY22.

The solvency ratio stood at 2.61 as on 31st March 2023 as compared to 1.96 as on 31st December 2022. Net worth of the company without fair value change account increased to Rs. 32,356.08 crores on 31st March 2023 as against 24,439.72 crores as on 31st March 2022. Net worth of the company, including fair value change account increased to Rs. 61,700.11 crores as on 31st March 2023 as against Rs. 55,657.73 crores as on 31st March 2022.

On the premium breakup:

Domestic premium for FY23 is Rs. 25,384.50 crores and the international is Rs. 11,207.09 crores. The percentage split is domestic 69% and international 31%. There is a small degrowth in the domestic premium by 9% while the international book has decreased by 26%, we continue to work tirelessly towards a well thought out strategy to get as close to 100% combined on an annual basis in the shortest possible time and we are seeing our efforts paying dividends.

It has been our relentless focus to make our portfolio healthier and emerge as much a better and profitable reinsurer over the long term. We are actively monitoring the competitive dynamics in the domestic and international market. And accordingly formulating our response on a continuous basis, we remain optimistic and are fairly confident of improved performance going forward.

Having given the highlights, we will now open the floor for questions. Thank you.

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have the first question from the line of Shree Gopal Agarwal from Aagman Advisory LLP. Please go ahead.

Gopal Agarwal: So, this is Gopal Agarwal from Aagman Advisory. Sir, just wanted to know what has led to the improvement in combined ratio on the domestic front and can we expect the improvement in combined ratio to continue in the coming quarters?

Devesh Srivastava: Mr. Agarwal, the whole process is what we had always been stating that we are trying to make our portfolio healthier, the underlying portfolio of our operations. Domestic being something that we are so well entrenched in the Indian market was the first one we tackled because that is within reach and it's much easier as compared to the international one, which has larger dynamics to cater to. So, in the domestic portfolio, we started looking at those treaties which were not doing well and we started pruning it or alternatively we started putting in conditions which are the usual tools of a reinsurer to make a portfolio healthier that could include a decrease in commissions or putting in a loss corridor and so on and so forth for giving a sliding scale commission. So, these are things that we put into our treaties. Simultaneously, we also grew our facultative book, which is hugely profitable for us. So, both these factors put together ensured that the domestic book started looking much pinker in health and the numbers are now reflecting exactly that effort coming to fruition. The international book is a bit trickier and also the fact that there have been a lot of incidences, hurricanes and sorts in the international, including the Turkey earthquake. So, which has, you know, I mean, international book is still something that we are looking at very closely. But having set the trend over the last 3 years, that is the trend we are going to continue even in future. There is nothing that is going to be changed in this path that we have chosen for ourselves.

Gopal Agarwal: Just one more thing. Any strategic initiative which you are taking to address this issue related to international business?

Devesh Srivastava: No, Mr. Agarwal, it is just the question of finding your right sweet spots and then going ahead with that. We are now modeling all the data that comes our way. We are looking at our pricing tools giving an indicative rate and you know anything and everything that we can do is what we are now doing while shedding business that was not making sense to us. There were a lot of things that we were possibly continuing for the sake of our relationship, or maybe that baggage that we had over the years, but then we are now forward-looking and are now making only decisions of taking treaties to our book which are making a profit for us in the long run or which have the hope of giving us a return in the year that we are writing it for.

Moderator: Thank you. The next question is from the line of Anirudh Agarwal from Valuequest Investment Advisors. Please go ahead.

Anirudh Agarwal: I think some of the strategic initiatives are finally paying off, so congrats on that. My first question was on the international book. So, how much was the final weighted average price increase that we got in this cycle?

Devesh Srivastava: Mr. Agarwal, I will request Mr. Hitesh Joshi, who is the General Manager looking after Reinsurance, to answer that.

Hitesh Joshi: I think this matter of international book getting better price increase was discussed at the last earnings call and the answer was that it depends on the geography and the peril. So, it I think if I remember correctly, it ranged between something like 20%-30% to something like 100%, say exclusives in Florida attracted even more than 100%. So, that is the thing which we have been repeatedly saying that Reinsurance market today is far more nuanced and far more segmented as compared to a broad-based approach which used to be a thing in terms of the market trends a few years back. So, every country and within that country perils and alongside this country and peril, individual contracts, whether that contract has run well in terms of the surplus generated to the reinsurers or not, I mean every single contract gets its own individual treatment. So, the entire market is far more segmented and nuanced. I hope it answers your question.

Anirudh Agarwal: Right. No, it does. I think two things. One is okay, so then ideally, should we expect that all things remaining the same with this kind of price increase that we've seen there should be substantial reduction in combined ratio in the international book also going ahead?

Hitesh Joshi: Of course.

Anirudh Agarwal: Okay, but can I take it as if we are at 137% combined ratio right now in international book, is broadly the level of losses remain similar, then it can come off by 25%-30% next year, right? That is my understanding.

Hitesh Joshi: I would not like to put a figure of 25%, but whatever is the price hardening, I think will definitely get reflected and it should be a significant improvement over the current year performance because whatever is booked during January will pan out during next 2 years.

Anirudh Agarwal: On the domestic book, so all the insurers have basically been talking about the hardening on the domestic side as well, whether it is in terms of commission reduction or price increase. So, could you talk a little bit about that in the April cycle? How much impact are we seeing on pricing and commission reduction on domestic?

Hitesh Joshi: So, essentially, domestic market is also exposed to the same reinsurance global market trends. It cannot remain isolated. There can be some difference in terms of degrees. So, whatever happened globally also happened in Indian market. As far as GIC book is concerned, we have got risk adjusted rate change of around 35% on our non-proportional book and on a proportional book, we would like to put our risk adjusted rate improvement of something like 15%.

Anirudh Agarwal: So, what is the split between the proportional versus non-proportion on domestic right now?

Hitesh Joshi: Proportional would be around 85% and non-proportional would be around 7% to 8%. The balance 6%-8% being facultative.

Anirudh Agarwal: And this hardening cycle that you're seeing that is expected to continue, right, even as we go ahead given where we are in the cycle right now?

Hitesh Joshi: Among the reinsurance professionals, the consensus is that it will broadly continue for next 2 years.

Anirudh Agarwal: And one question on the solvency, so now our solvency looks quite healthy. And 2 questions related to that. Given that the solvency is now healthy, is it possible that we will see a credit rating change any time soon? And what is the criteria that credit rating agencies usually apply for a change? And second question related to that would be on the dividend front. So, given that we have healthy solvency, we have very high, our EPS is almost Rs. 40, but we have paid out only Rs. 7. So, what would be the dividend strategy going ahead, can it be materially higher in future years?

Devesh Srivastava: Mr. Agarwal, as far as solvency goes, yes, that was a considered call that we had taken of improving our solvency which we have accomplished. And if you would see the quarter-on-quarter results, you will see how it has actually inched upwards and moved North to where it stands today. But unfortunately or fortunately, it depends on how you take it. Rating agencies don't take solvency as the sole parameter. There are many other factors that go into the rating of a company which is pretty standard. For example, for us it is AM Best and they have their own BCAR score that they say best capital adequacy ratio. So, that is what they base their rating assessment on which has many factors going into it. So, but almost, of course, they have been noticing all the good things that GIC has been doing, not only in the last year but in the previous years as well. And I'm sure that will stand us in good stead when they come to review our performance sometime in the next couple of months, we are waiting for their arrival. So, let's see we will be showcasing whatever we have done and I'm sure that they will take it on board as to what we have because the numbers will speak for themselves. Now about the second point you said regarding dividend, now you see there is a standard dividend policy. There are a lot of factors that go into declaring of a dividend. You can obviously play to the gallery, but the point is that do we really need to also not consider feathering our own balance sheet with all the CAT that is happening around the world the way climate changes affecting us and therefore for an insurer or a reinsurer which are the final risk takers, it's important to have a healthy balance sheet and therefore, you must plough back the profits you make that is the long term sustainability that we believe in and that is the course that we are pursuing.

Anirudh Agarwal: Right. So, on the dividend front, we are now at a solvency of 2.66, right, which correct me if I'm wrong, but it's quite sufficient. So, from next year onwards, the question was that can we increase the payout ratio to at least 35%-40% if it's not more from 20% today?

Devesh Srivastava: Mr. Agarwal, these are factors that you will consider when you come to that bridge and cross it then. But the important point being also that you now have IFRS coming your way. Now you have risk-based capital coming your way. So, it's always good to prepare in advance. That is the thought process we call as a reinsurer, you must always look 2 years, 3 years forward. It's not quite a day-to-day operation.

Anirudh Agarwal: And risk-based solvency if it is implemented, could you just explain how that would impact our solvency ratio, how its calculation is different from what it is today?

Devesh Srivastava: Mr. Agarwal, that will be a long-drawn thing for me to tell you, but very gently put right now the regulator says that your solvency assets to liability ratio should be 1.5 at the least. When you have a risk-based solvency, then you will be assessing each transaction or each risk that you take on to your books from day one as to where is it going to land you into and then you have the capital allocated to that accordingly. So, each transaction will have a capital associated and you will have to budget that in your books accordingly. This is much like what the Solvency II norms are in the West. So, it's going to be much the same.

Anirudh Agarwal: And the final question on the investment book side. So, this investment income that we've delivered in the current year should be sustainable going ahead, right? And with the hardening of interest rates, that should sustain our only growth from your end, if my understanding is right?

Devesh Srivastava: Mr. Agarwal, I'll request our CIO, Mrs. Radhika, to take that question please.

Radhika Ravishekar: This is Radhika Ravishekar, the CIO. So, can you just slightly repeat your query?

Anirudh Agarwal: Yes, I was seeing on the investment income that we've delivered for this year with the hardening of yields in the market, the investment income should only grow right as the book keeps getting repriced on the investment side.

Radhika Ravishekar: For the current year, yes. The yields have literally gone up because of the hardening of the interest rates. But going forward, we also don't feel that RBI will be continuously there will be rate hikes anywhere.

Anirudh Agarwal: Alright. And what would be the modified duration of the book if you can share?

Radhika Ravishekar: 5 to 7 years is the maximum that maturity that we are holding.

Moderator: Thank you. The next question is from the line of Arjun from Avendus Spark. Please go ahead.

Arjun: If you can give an idea on how the domestic rates have been, whether there is a hardening of domestic rates, will it be negated by the pricing going below, i.e., burning cost, some of the primary insurers have mentioned that fire, there is some kind of price correction that is happening. So, what would be the impact on that?

Hitesh Joshi: The price correction at the top end is expected to be kept at around 15% on the FLEXA coverage, which is the basic fire cover. In the premium for fire, there is an element of STFI which is, say, flood aspect of the cover, where there is a correction of price by around 25%. On overall basis for the fire class, the premium is expected to dip by 6% to 10% by various estimates and depending on the strategy of a particular insurer. So, in response to this, we have tweaked the terms on our proportional side, non-proportional side. We have introduced loss corridors. So, we believe that risk adjusted basis as I said earlier we are better off by something like 15% on proportional and 35% on non-proportional.

Arjun: Thank you, sir. Our ROEs and combined ratio focus has played out really well. If you can help us get an idea on the growth targets, if you have any for FY24 and 25, what that would be so?

Devesh Srivastava: Arjun, we have worked an internal strategy. I think the correction that we have been making which has almost come to a conclusion, we have reached an inflection point and now we will see profitability with growth. So, that is something we're charting for ourselves and see for a reinsurer that I've always been emphasizing growth is something that you can double your premium in the next 3 months. But then with doubling the premium will come tripling of the losses. Would you really want that? So, it's a call you have to take. Now that we are stable and we have set our own processes in place. This is the time when now we will look forward for profitability with growth that will be the mantra.

Arjun: Sir, you have had a great tenure last 4 years, just a question on, is there any cap on your tenure or on your tenure if you can give some clarity?

Devesh Srivastava: Yes, sure Arjun. So, I mean your tenure is coterminous with the day you turn 60, the last day of the month in which you turn 60, which will happen in my case on the 30th of September this year. But the process has already started and soon we should be having a new man come in who will be, you know, so I can hold his hand or her hand and take it forward.

Arjun: Sir, just a question on obligatory business, last April I believe they reduced it to 4%. Is there anything due you are expecting this year as well whether there will be a relook taken on that mandatory ceding portion**?**

Devesh Srivastava: Now Arjun, for 23-24, it's already been mandated at 4%. So, anything that changes can only happen in 24-25 now, which is still a way off, and the way the thought processes are that I think status quo would be, I mean, let's see how it pans out.

Arjun: One last question from my side. With respect to overseas combined ratio, ideally we can compare ourselves with the overseas reinsurers' P&C combined ratios. So, they have seen 95%-97% or 92% in the last one year as well as one Q23. But where the difference arises comparing global peer in the foreign book and our book, is it the product mix or geography mix and within foreign book also, even if catastrophe losses were to be the spoiler, but I see our motor combined ratio being very high. So, that is also because of catastrophe kind of events that happened or anything specific? Just wanted to understand that foreign book part a bit better?

Devesh Srivastava: Arjun, see the last 4-5 years have been bad for reinsurers as a whole. That is why the price hardening trend that you are seeing now. That is one of the major factors that has led to this price hardening that we are witnessing in the market. So, globally, reinsurers have had a hit. There have been a lot of cat events. And we are not alone in the business because we are also a subscription market. We have also therefore done badly as far as the foreign book is concerned, but yes, there is ample scope for improvement when you basically try to meander your way through the various proposals that come to you and choose the ones that you feel with the expertise that you have built up that yes, this is going to give me a profit, or at least break even by the end of the term. And therein lies the worth of an underwriter. So, we are now pursuing the chart. But coming to your next question about motor, yes motor there was there were a couple of contracts that we had written which proved to be costly to us. But those have now been discontinued and going forward, once they play out, the trend should be much improved in our foreign book as well.

Moderator: Thank you. The next question is from the line of Kailash Baheti, an individual investor. Please go ahead.

Kailash Baheti: Congratulations to the entire management team on excellent progress on all parameters and the shareholder wealth creation centric approach. I think CAT reserve creation is also a great conservative step. And once again, congratulations on such forward-thinking mindset. Such things I'm sure will bring shareholder delight sooner than later. My questions are now that there has been significant reduction in the premium written. Will our investment book continue to grow? That's my first question.

Jayashree Ranade: Good morning, Mr. Kailash, this is Jayashree Ranade, CFO. Sir, you would have seen that our investment kitty, investment funds are quite well. And there is a good return on investment, which we generate. Our premium is reduced, yes, that can be seen. But with that, the claims payments are also controlled. So, in nutshell, I mean in a summarized way, overall outgo from the operation and overall income from the operations will be more or less having the similar impact on our cash flows. And due to that, we expect that our investment book will still grow going forward. So, yes, so there won't be much of an impact because that mechanism will work this way, Yes.

Devesh Srivastava: I think Mr. Baheti if I can just add to what the CFO ma'am just said, see the whole emphasis was on improving your own operations efficiency. The moment that happens earlier, the trend has been that your investment income would be subsidizing your operations cost. The call that we took was that the investment income should be the icing on the cake, not be the cake itself. And with that as your cash flow goes less and less towards payment of claim because you're writing a much healthier book. You have so much more cash available with the investment department to churn and with a blended rate of return being so good, that trend will continue.

Kailash Baheti: Great to hear. On the point of revision in rating, I think most of the parameters have now fallen in place, perhaps growth is the only one which would be lagging or there are others on which also the team is working.

Devesh Srivastava: Mr. Baheti, as I just said earlier, that growth is not really a criteria for a reinsurer. It's very easy for me to double my premium, not even in the next 2 months. I can do it in one month itself. But then with doubling your premium comes tripling with the losses. Would you really want that as an investor? So, that may be a small criteria, but it doesn't play such an earthshaking thought process for the rating agencies. There are many other aspects that is considered and I think we have ticked in quite a few boxes and with aplomb, so that should be very well received by the rating agency.

Kailash Baheti: Obviously, the investor will obviously not like that as we pursue growth, the underwriting standards are in anyway compromised. That would be the last thing we will think because that has already in past played havoc. My last question is on the brand building and last time I had suggested that the investor presentation document should have significantly more details and I mentioned about some private sector banks or private sector insurers or even international insurers giving a lot of details and secondly, releasing that document before the investor concalls. These are the things which improve the confidence of investors. Any thought on that?

Devesh Srivastava: Yes, Mr. Baheti, we are in the process of doing that as well. Transparency has never been an issue because you know our balance sheet is placed before the Parliament of India. So, every figure there is under huge amount of scrutiny and has stood the test of time, so transparency is never the issue. Possibly the way we package what we are doing may require some more bells and whistles which we will be doing, definitely.

Kailash Baheti: Exactly, that was my meaning when I said transparency is how much you are able to communicate and not for a moment doubting integrity. That's absolutely out of the question. Congratulations Deveshji on your very successful tenure and best wishes for your future. Thank you.

Moderator: Thank you. The next question is from the line of Deepika Mundra from JP Morgan. Please go ahead.

Deepika Mundra: Sir overall in the year we've seen about a 15% drop in the premium. I just want to get a sense as to how much of this has been voluntary cancellation of certain treaties because they have been loss making in the past?

Devesh Srivastava: Ms. Deepika, if I can tell you, the trend is that you see, insurance is sold, it's never bought. Yes, but that is not the case with reinsurance. Reinsurance is always bought because here the purchaser and the seller both have an equal amount of knowledge about what is being transacted. That is the beauty of the business of reinsurance. So, here, whatever you shed is something that you wanted to give out. In the London market, you have underwriters who state with a great deal of pride that my rejection ratio is 80%. So, you can imagine of the 100 proposals that he'll be receiving, he'll be rejecting 80 of them. So, it is not that things have not come your way. Maybe there could be something that has slipped between the cracks, but that could be not even so running into two figures. The number of such proposals that would have slipped between the cracks. This would be something that you have consciously done to improve your underlying portfolio.

Deepika Mundra: So, this is again pruning of the portfolio to make it profitable like you'll have been targeting for quite some time now. Sir the second question is regarding the CAT reserve, so firstly is this primarily done for the international market and can I please understand why would you not take this in the claims rather than and you know, make it as a separate provision because it would be a form of creating like some sort of an IBNR, right?

Devesh Srivastava: I will just request Mr. Joshi to take that.

Hitesh Joshi: So, CAT reserve for our entire risk book, whether it is domestic or foreign, and it is linked to the operating surplus of a given revenue account, say marine, fire and miscellaneous. So, that is common corpus which we are creating to meet CAT across our entire risk book, it is not for international or domestic. Does it answer?

Deepika Mundra: And just in terms of the accounting treatment, is it common practice to not take it in the claims ratio?

Jayashree Ranade: IRDA's format if you look at it, they have provided a separate appropriation for each of the revenue account, what should go to shareholders funds and what should go to policyholders funds, so this CAT reserve, being policyholders funds but does not form a part of the provisioning for IBNR, right. It straight away goes into reserves and surplus separate item. This is what IRDA's format suggests. According to that, accounting treatment has been given.

Moderator: Thank you. The next question is from the line of Mahesh from Punjab National Bank. Please go ahead.

Mahesh Peswani: Mahesh Peswani here from PNB Investment Services. My first query is that we have turned around in the last quarter of FY23. We have reported an underwriting profit in the quarter ended March 23. I would like to know how it has been done as some clarity on that and how would it go forward in FY24?

Hitesh Joshi: Sir, I would like to say that this is just a continuation of the journey and it must not be seen as a blip. I think we have been reiterating our stand in terms of the underwriting discipline and that is reflected in our decrease in topline over last 3 years. So I think that should answer that it is not one quarter thing. It is a continuation of deliberate effort and strategy being followed.

Moderator: Thank you. The next question is from the line of Karthikeyan K, an individual investor. Please go ahead.

Karthikeyan K: I'm an individual investor for last 5 years. I'm, I'm glad to see the dividend coming in. My first question is what's the growth outlook? I mean not for one year maybe for like next 3 years.

Devesh Srivastava: Mr. Karthikeyan, for a reinsurer, slow and steady always wins the race because you want to provide stability. As risk takers, we are already in the business of assuming so much of risk that the world has to offer. Now any Maverick approach doesn't really pay dividends, so we will be growing slowly and steadily with the basic thought process of profitability with growth.

Karthikeyan K: Sir, my next question is the last time when the AM Best rated right, they were concerned about reconciliation of advances and deposits with the other primary insurers, other reinsurers. So, that is being completed now or what kind of situation we are in now there?

Devesh Srivastava: I just request our CFO ma'am, to take that please.

Jayashree Ranade: Yes, there was a qualification last year, but we implemented certain systems inside our SAP and our SOP, standard operating processes with which we are able to confirm majority of the balances and the system continues. And with that, our auditors were satisfied also and this actually observation has been removed since third quarter accounts and in the fourth quarter also, now it is part of only emphasis of matter. The systems are working very well now. Whatever balances etc. we write, we also attach a confirmation along with that on a periodical basis. So, that helps the auditors to check it and okay it. So that already systems in place and we are working, for the most of the balances now are confirmed balances. For small margin we are working heavily and we will come out of it. It will be confirmed balances like here. This is the position.

Karthikeyan K: So, this will sort of convince the rating agency to improve our rating going forward, this was the main point, right when they said the ERM is not up to the mark, that's what they said. Enterprises Management was not up to the mark and then they sort of put a negative tag on that. So, this will remove that negative tag going forward?

Jayashree Ranade: At least for this point, yes, they should be satisfied with auditors' comments and removal of audit qualifications.

Karthikeyan K: Now the last question I have is in the third quarter right there was a statement in the notes which stated that there is IRDAI regulation, there was some fund insufficient with the policyholders. Then we are moving some 7000 odd crores from the shareholders fund to policyholders fund. Now that item is completely removed in the Q4 Results, so that is being taken care or what kind of situation we are in now?

Rajesh Laheri: This is just a realignment of Schedule 8A. So, there is provision that whatever policyholders funds is there that should be matching with the Schedule 8A statement, so it moves from 8 to 8A. That's only has happened. It has not impacted profit anyway.

Karthikeyan K: So, that has been taken care right because that item is completely removed in the Q4 notes, you have not mentioned?

Jayashree Ranade: Yes, because we complied with all the requirements. I mean that's only a realignment between the schedules, that's all. So, that is what we completed.

Karthikeyan K: Thank you, sir. This is one small concern I have. I would like to put this question to Mr. Devesh Srivastava. See, when individual shareholders send e-mail right, I had sent e-mail on the month of February when the third quarter results were released. I couldn't participate in the conference call. I sent an e-mail and there was no reply at all. I sent the reminder like 3-4 times. The e-mail was correct because I sent reminders three times, there was no reply at all.

Devesh Srivastava: Mr. Karthikeyan, normally that does not happen. My apologies if this did, but we'll certainly have those mails checked again in February. But usually it is quite a robust department that responds immediately, so I'm quite surprised this is the first time I'm getting such a feedback but thank you for it. Nonetheless, we will have it examined.

Karthikeyan K: Because the conference call is quite elaborate, the question-answers is quite transparent and elaborate, but if suddenly I have some questions and somebody gets a question and then there must be a forum to address that immediately, right?

Devesh Srivastava: Right. So, we do take that into cognizance. And anything that you would wish to ask, even otherwise, please feel absolutely free to write to us.

Moderator: Thank you. The next question is from the line of Arjun from Avendus Spark. Please go ahead.

Arjun: Sir, currently the government owns almost 86%, just want to understand is there any plan to increase public shareholding?

Devesh Srivastava: Arjun Ji, currently, we have absolutely no indication from the government that is the decision that rests with them as they are the owners. We would be informed only at a later date if they want to do that.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions from the participants, I now hand the conference over to the management for closing comments. Over to you.

Devesh Srivastava: So, thank you everyone once again for your time today morning and we as is fairly evident and our numbers speak for themselves that the path that we have charted for ourselves is something that has now started giving us the confidence in numbers too that it's happening and we shall continue to walk this path, because this is what a reinsurer is all about providing long-term sustainability and long-term stability to the market. And as GIC so well entrenched in the Indian market, we shall continue to play our role and take this entire sector forward. So, thanks everyone once again for the time in the morning and wish you all a great weekend ahead.

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