"India Grid Trust Q2FY24 Earnings Conference Call"

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MODERATOR:	**MR. JITEN RUSHI – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the India Grid Trust Q2 FY24 Earnings Conference Call Hosted by Axis Capital Limited.

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 '*' and '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Jiten Rushi from Axis Capital Limited. Thank you and over to you, sir.

Jiten Rushi: Thank you, Seema. Good evening, everyone. On behalf of Axis Capital, I'm pleased to welcome you all for the Q2 & H1 FY24 Earnings Conference Call of India Grid Trust.

We have with us the management team represented by Mr. Harsh Shah – Chief Executive Officer and Whole-time Director, Mr. Navin Sharma – Chief Financial Officer, Ms. Meghana Pandit - Chief Investment Officer, and Mr. Satish Talmale – Chief Operating Officer.

We will begin with the "Opening Remarks" from the management, followed by an interactive Q&A session. Thank you and over to you, sir.

Harsh Shah: Thank you, Jiten, and thank you everyone for joining on this quarterly call with us today. I'll be referring to the investor presentation that we have circulated to ensure that we are on the same page in terms of references.

So, I'm on the Slide #3 of the investor presentation. So, I'll reiterate our vision. Our vision is to become the most admired yield vehicle in Asia, and we believe that if we are able to continue to focus on, focused business model with long-term contracts and low operating risk, focus on value-accretive growth, deliver predictable distribution, and maintain a capital structure which is optimum, we will be able to achieve what we have set out to achieve.

On the next slide is our current portfolio. And as you can see, the portfolio has substantially grown versus last quarter on account of the recent acquisition. As we stand today, we are approximately Rs. 27,000 crores assets under management. We are present in 20 states and one UT with over 80 revenue generating elements, separate revenue generating elements, which encompasses 8,400 circuit kilometers of lines, 17,550 MVA substations, and 555 megawatt of AC solar generation and DC level will be over 670. Our transmission average tenure left on the contract is 27 years, where most of our assets are contracted through built own, operate and maintain, so there is no transfer. In solar, where almost all contracts are used to be 25-year-old, but most of them have an operating history of 7 years now, so with a residual turnover of approximately 18 years.

On the quarter 2 update, which is on Slide #6, this quarter has been a very interesting quarter on multiple fronts. At one end, we have acquired one of the largest acquisitions on renewable space, which is Virescent, which we acquired for approximately Rs. 4,000 crores, which almost multiplied our megawatt capacity 5x and added India Grid's AUM in solar, took to around 17% of AUM. Along with that, we also raised approximately Rs. 400 crores of preferential allotment where marquee reputed investors and family offices end up investing sometime in August. So, on the growth and capital front, we are doing pretty well. While funding for Virescent on the debt side also, we have charted a path of one of the longest infrastructure bonds of almost 15-year tenure with one of the marquee investors like IFC on board, with which IFC has become the largest lender to us now. And on growth side, we have made a beginning in the new area of battery energy storage, which we have been speaking about over the last one year. And we have received the first letter of award for 20 megawatt / 40 megawatt hour project in Delhi. So, overall, a pretty exciting quarter that we've seen over the last 3 months.

In terms of financial performance, our revenue and EBITDA grew approximately 20% and 4% year-on-year respectively. EBITDA growth at 4% was considering there were several one-time costs which we expensed out in the first quarter of acquisition for Virescent, like the one-time integration and other expenses which is mentioned here. On the collection front, quarter 2 again surpassed our expectations. We collected approximately 114% in transmission and 127% for solar, which has aided the NDCF substantially. And that is one of the reasons that we have increased the guidance for the financial year 2024 to Rs. 14.10 a unit, as well as increased the guidance on run rate by another 3% to Rs. 3.55 a unit versus Rs. 3.45 in quarter one. It's important to note that we had increased 3.3 to 3.45 just 6 months ago. So, on a year-on-year basis, it was almost like a 7.5% increase on DPU that's being delivered. Net debt to AUM as it stands today is 63.5%, which is well below the 70% cap and we will look to raise capital to continue to maintain the headroom for further growth.

On the operational front, our average availability remains above par at 99.76%. Solar CUF is as per plan that we had budgeted for and the issue that we had seen in NER asset between three asset lines has been rectified and the lines are operational now.

On the industry update, I'm sure you guys have seen the latest couple of days of newspaper, the demand generation, generation growth is increasing and we are pretty bullish about the peak demand as well as number of units consumed is going to continue to rise on a year-on-year basis and which will result into substantial amount of investment in the sector. One of the key developments on the transmission and solar sector that we target, the national framework on ESS to encourage adoption and create ecosystem for development of ESS has been pushed. The National Electricity Plan envisages 74 gigawatt of storage with a capacity of 400 gigawatt hour and this is completely in line with India's vision to achieve 500 gigawatt of solar or renewable energy capacity. We are confident that storage is in its journey of evolution where solar was 15 years ago. And with incremental investment and support from the government, we are confident that the cost of battery energy storage will continue to come down. Over Rs. 1,25,000 crores of projects for transmission have been announced and they are coming for auction over the next 12 to 18 months and we are preparing ourselves well to see what are the relevant projects and suitable projects for us to acquire and bid.

Coming to the next slide on Slide #8, I would invite Satish Talmale, who is Chief Operating Officer, to take you through the operating performance of the company.

Satish Talmale: Hi, everyone, and happy to share quarter 2 operational performance for the portfolio. Starting with safety, so we continue to perform on our mission of ZERO HARM. So, we had no fatality, zero medical treatment cases. We had one LTI and three first aid minor injury cases reported.

On performance, quarterly average availability is at 99.76%. Solar generation, we generated 231 million units at 18.9% CUF, which is higher compared to last year quarterly performance by 4%, which is sheer due to reliability initiatives and some performance improvement initiatives. Insulator flashover issue, we are out of way. Both the lines are charged now and that risk is largely mitigated. On overall reliability for the transmission system, we have trips per line ratio at 0.16 and substation trip per element is at 0.03. This is slightly higher than the last year performance because of the insulator issues, but now we don't anticipate those issues in near future. Of course, the focus on prudent defect management with reliability centered approach will continue with the adoption of new technologies. A few initiatives like Asset Health Index, which will help us to determine the condition of the critical equipment and the remaining life, residual life, is something we have kick-started. Drone deployment is already getting commenced in our central region at a larger portfolio level. We will be covering almost 2000 kilometers under drone surveillance. Solarization project which is one of the initiatives for saving our auxiliary power consumption across the portfolio. This is also kick-started for other substations.

That’s it from my side and I would hand over to Navin for financial performance.

Navin Sharma: Thank you, Satish and good evening everyone. We are on Slide #9. Another good quarter with robust performance as compared to the same quarter previous year. We have recorded a revenue and EBITDA of Rs. 695 crores and Rs. 558 crores respectively, which translates into 20% and 4% YOY growth. Q2 FY24 EBITDA includes one-time integration expenses pertaining to recent Virescent acquisition. NDCF generated for the quarter was Rs. 309 crores and board has approved distribution of Rs. 3.55 per unit which is higher by around 3% compared to our guidance and this translates into DPU growth of 7.5% on a YOY basis. With this, FY24 DPU guidance increased to Rs. 14.1.

Coming onto collections for the quarter, it stood at 114% and 127% respectively for transmission and solar business. For H1, collection performance is more than 100% for both the businesses. The DSO as of 30th September 2023 stands at 67 and 73 days respectively for transmission and solar business, which reflects significant improvement in solar business, where DSO was 125 days a year ago and 87 days in last quarter.

Coming onto next Slide #10. DPU for the quarter is Rs. 3.55 per unit. It will be distributed in form of interest, capital repayment and other income which is Rs. 2.9, Rs. 0.63 and Rs. 0.02 respectively. The outstanding units at the end of the quarter is around 73 crores and the gross distribution to all the unit holders at Rs. 3.55 comes to Rs. 259.5 crores. Record Date for the distribution is November 9, 2023 and tentative date by which the unit holder will receive the distribution is November 18, 2023. NAV as of September 30, 2023 stood at Rs. 133 per unit. Post this quarter's distribution, IndiGrid would have distributed Rs. 78.86 per unit, with a total distribution of around Rs. 4,389 crores. On the right hand side, we have showcased the trend of distribution year-on-year basis, which is stable and scalable growth of 4% over the years. We are on track to meet this year's revised guidance on distribution of Rs. 14.1 per unit.

Coming on to next Slide #11, which showcases the waterfall from our EBITDA to the NDCF distribution and generation. At an SPV level, we have a consolidated EBITDA of Rs. 586 crores. Net of the finance cost, working capital movement, CAPEX and taxes at SPV level, NDCF generated at SPV comes to around Rs. 673 crores. Net of the trust level expenses, interest costs, and tax, we have generated NDCF of Rs. 309 crores. In this quarter, we have replenished our reserves by Rs. 49 crore, and closing reserves stands at Rs. 303 crores, which is in excess of one quarter's DPU basis current guidance. So, that's all from my side. I hand over to Meghana to take the subsequent slides. Over to you, Meghana.

Meghana Pandit: Thanks, Navin. Good evening, everyone. I'm on slide 12, which showcases our balance sheet overview for this quarter. We continue to remain AAA rated by all the three rating agencies. And at the end of this quarter, 30th September, our average cost of debt was about 7.56%. Almost 84% of all the gross borrowings, which stood at about INR 188 billion are of a fixed rate nature, which has been our strategy of ensuring that bulk of the borrowings continue to be on a fixed rate basis. Post the Virescent acquisition and the preferential allotment, our net debt to AUM stands at about 63.5%. The cash balance stood at about Rs. 1,870 odd crores, which comprises about Rs. 260 odd crores for the Q2 distribution, almost about Rs. 500 crores for DSRA, Rs. 400 crores that we raised from the preferential issue is also included in this cash balance, and the NDCF reserve that got created in the quarter is also part of this cash.

During the quarter for the Virescent acquisition, we raised about Rs. 4,000 odd crores and that we raised at an incremental cost of about 7.53%, which was lent by marquee lenders such as IFC which subscribed to 15-year NCDs. In addition to that, other marquee debt lenders were IIFCL, Federal Bank, HSBC, SBIMF, Yes Bank, etc. So, totally at the end of the quarter, our gross borrowings of INR 188 billion can be split into almost 55% of bonds and about 45% of bank loans. Bonds also are subscribed by various categories of investors including mutual funds, insurance companies, HNIs, similar diversified portfolio on the loan side. The graph that you see at the bottom of the slide showcases the repayment or refinancing schedule.

As has been mentioned, we try and ensure a smoothened curve in terms of the refinancing that comes up every year and our target is not to increase that by more than 10% to 12% of the gross borrowings. FY25, the refinancing amount of about INR 21.5 billion comprises the INR 12 billion of short-term loan that we took in order to fund the Virescent acquisition. Out of that, almost Rs. 400 crores is already repaid which we had raised through preferential allotment and balance we will do through the impending equity raise that is planned.

Moving to Slide #13, we continue to deliver superior risk adjusted total returns. Total returns comprises of the distribution, which is almost 75% in the end of the quarter without including Q2 distribution and about 38% of price change. On a total return basis that translates into 113% since the time we got listed and on an annualized basis, it converts into 13%, which as you can see compared to pure play debt bonds as well as compared to pure play equity indices, we have been providing superior returns especially if you compare it with the Beta which is the measure of the risk which is at the lowest end.

Continuing on Slide #14, which talks of our business outlook. So, on the portfolio strategy, we are focusing on maintaining stable operations and ensuring that we continue to provide with sustainable distribution while looking at value-accretive acquisitions. On the growth side, we are looking to consummate the pipeline deals, which is one of the transmission assets that we plan to acquire from GR Infra Rajgarh Transmission Limited upon its COD, which is expected in Q3. In addition to that, the COD of our first greenfield transmission project, Kallam and the newly won BESS project in Delhi, we continue to focus on that. In addition to that, the significant greenfield opportunities which are available on the transmission side, we will look at proactively participating. Delivering on the increased DPU guidance of 14.1 for FY24, we are also looking at undertaking internal restructuring in order to smoothen the operations and reducing the legal entities from 38 to a reasonably lower number. Basically, that is a simplification of the corporate structure.

Improving balance sheet strength continues to be the focus area, which is considering the market environment, ensuring that we look at optimizing the interest costs and elongate the tenures as much as is possible when we look at future acquisitions. Similarly, maintain adequate liquidity to address any uncertainties that come about. We are also looking at raising equity capital for which we had taken the unit holder's approval to the extent of about Rs. 1,500 odd crores.

On the asset management side, our focus continues to be on maintaining 99.5% availability across all the portfolios and ensuring that we maximize on the incentives, ensure that we improve on the O&M practices across the portfolio, utilize various digital tools in order to assist in analytics and decision making both on the solar as well as on the transmission side and ensuring world-class EHS and ESG practices. Our industry stewardship again continues where we proactively participate in the electricity sector where we can look at capitalizing on the opportunities that come about, both on the greenfield side as well as on the monetization pipeline side. And focusing on increasing awareness and education about IndiGrid per se and InVITs at large also remains an active area for us.

Moving to slide 15, this is a slide that we provide, which showcases how on the back of accretive acquisitions has our DPU been increased and the longevity of the same. If you look at from FY18 onwards, since the time we got listed from Rs. 11 to Rs. 14.1 DPU guidance that we have provided in FY24 on the back of various acquisitions and the acquisitions we have categorized in various colors. The last one being yellow, which is supposed to be recent as well as the augmentation pipeline that we have and how the longevity and the increase of that can be seen given the business plan. I'll take a pause here and we can get into a question-answer session for any specific queries.

Moderator: Thank you very much. We will now begin with the question and answer session. We take the first question from the line of Mohit Kumar from ICICI Securities, please go ahead, sir.

Mohit Kumar: Congratulations on a very good quarter, especially raising the DPU. So, my first question is, what is the EBITDA of Virescent in the quarter and in the half year, and at what enterprise value you bought this portfolio?

Harsh Shah: Hi, this is Harsh here, Mohit and thank you. I think the Virescent, we have not provided a specific Virescent related disclosure, so it wouldn't be fair to disclose, but I can tell you Virescent performance in this quarter has been for one month and five days. The consolidation of Virescent has happened from 25th of August 2023, the date of acquisition and dissolution of the trust. Subsequent to that, it has taken into consolidation, but so it's just month, I can say that's been added. How much exactly? We have not provided this split in the financials, so we may not be able to give that. On the enterprise value of Virescent, depending on, you look at the net of cash, with cash and all that, simply put, we have acquired for approximately Rs. 3,850 crores, which is net of cash, plus cash will add, so approximately Rs. 3,850 crore is the enterprise value one can look at.

Mohit Kumar: My second question is what are the equity requirements and capital requirements for battery storage project and expected COD and EBITDA if possible?

Harsh Shah: It's a very small project. I think the topline of that project on annuity base is around Rs. 11 crores and this is going to be for 12 years. And capex, I would say, in the range of Rs. 100 crores plus. We are still working on the final capex, as you know, the battery prices etc. as we are closing. But it's going to be more than Rs. 100 crores. And the equity required for that project will be only 30% because 70% of the debt is going to be funded by GEAPP, is one of the leading development organizations who has supported this project from the beginning and it is kind of required that we borrow from them. So, it's the same for all bidders. Approximately Rs. 30 crores is the equity required.

Mohit Kumar: So, last question, there is some, I think in the board meeting you are looking for big internal restructuring with a group of various SPVs, Holdcos, held for reducing the number of legal entities. So, the purpose of this, does it give us any financial benefits?

Harsh Shah: I would say a little bit of financial benefit, see, we are running about more than 35, 40 legal entities. And the whole idea is when you run the 40 legal entities, you have to run it like a normal company, right irrespective of that being an SPV that adds compliance cost and transaction cost. So, we are trying to minimize that. Our goal is to reduce from where we are to approximately 25, 26 legal entities. The main benefit is going to be the simplification of the structure, compliance cost, etc. But considering it is even intercompany, inter-IndiGrid group transfer etc.

because it is for the first time, we are going to look for even approval of unit holders at the right time when the overall scheme is finalized.

Moderator: Thank you sir. The next question is from the line of Yatindra Agrawal from SUD Life. Please go ahead.

Yatindra Agrawal: My question is regarding the contraction in EBITDA. So, the operating revenue is increased by 20%, but EBITDA is just increased by 4%. And we can see that there is disproportionate increase in employee benefit expenses and investment management fees. So, can you explain this?

Harsh Shah: Yeah, so there are two costs, which are one-time costs which are booked on the acquisition in the expense line item, they are not paid, but they are booked in that. So, there are one-time costs, for example, for Virescent acquisition closure, there were certain incentives to the management team who did not continue as well. So, those incentives were paid by the acquirer and therefore reduced from the equity value. So, those reflect in the first month. Second is the 0.5% is the incentive fee for the IM, which is not paid right now, which is only booked. It will be paid only when entire year's guidance is met. These are the two large expenditures, which are one-time expenditure of acquisition, and therefore the EBITDA looks smaller for the comparable quarter. The third one is contribution of Virescent was only for one month, but that's also for the revenue. But that's the reason why the EBITDA is less.

Moderator: Thank you, sir. The next question is from the line of Sarvesh Gupta from Maximal Capital. Please go ahead, sir.

Sarvesh Gupta: So, first question is that earlier we were guiding for a 3% to 5% sort of a DPU growth range in the long term and I think post 2021 we have delivered more than 5% now and we are finding more traction outside of our usual transmission assets. So, is there a case of increasing the guidance for the DPU growth rate as well?

Harsh Shah: So, I think, I would say even 3% to 5% is the intent and strategy. It's not a guidance, so it's a strategy. Yes, we have executed that strategy very well over the last 5-6 years and consistently grown the DPU. I think increasing the guidance on growth has not been our focus. Our focus has been to do 1) whenever we increase the guidance, we know that guidance is rock solid and it's going to remain for next 8-10 years and not just enough for 1-2 years. And the second is that focus on accretive acquisition has allowed us to repeat the guidance, right, repeat the growth of 3% to 5%. Now, I won't put all the extra growth on our skills. It is a matter of luck and opportunities in the market. So, yes, we have prepared ourselves well to take over larger assets and interesting assets as and when they come for acquisition. If we can continue to do so repeatedly, why not? You will see this DPU growth being much higher than what we have done before, but I would not guide for it that now IndiGrid is always going to grow DPU by 8% because it gets compounded. As you can see in the last sheet that Meghana shared, when we started you were 11, now you are 14 and we are seeing that the 3% to 5% will reach 15 soon. It gets compounded and therefore I would say expecting that every year 8% NDCF growth would put us on a little bit of a pedestal which we have stayed away from so that we can decide with a calmer mind. So, I would say that our guidance on growth remains 3% to 5%. As and when there are solid opportunities, there is no incentive for us to hold back growth, right? So, we will increase the DPU as we are doing it right now.

Sarvesh Gupta: And secondly, now for this incremental growth, we are venturing more and more towards solar. So, first question related to that was that earlier we were planning to not increase beyond maybe a quarter of the total assets. So, we are close to that sort of a number as far as these new assets are concerned with this large acquisition. So, now incremental growth, how are you finding in your core areas? I mean, there's a pipeline mentioned that you have done in your PPT, but are you seeing interesting opportunities in your incremental growth, given that you might be close to the limit that we had sort of talked about in terms of non-core areas?

Harsh Shah: Yeah. So, we are at 17%. There is still a sizable amount of headroom to grow in non-transmission. But to answer your second question, there is tremendous amount of opportunity in transmission and we are actively looking at it, actively bidding for it. When we win, what we win, I think is not in our hands. But I would say we have a significant chance to win in this sector and we are competitive. And it's a large enough pipeline available right now for a huge number of players to bid for. So, I'm hopeful that we will end up reasonably achieving our share, a fair share. What number? I don't know. But I would say transmission sector has never seen such a large pipeline to be bid out in a year or two. It's a significant amount of pipeline that we've seen. And we are hopeful that we'll win something reasonable for us.

Sarvesh Gupta: And just one data point, what is the average tenure on this fixed rate borrowing that we have?

Harsh Shah: So, our weighted average duration is about 6.2 years on the entire borrowing.

Moderator: Thank you. The next question is from the line of Mr. Milind from Dalal & Broacha. Please go ahead, sir.

Milind Karmarkar: Just a small question. The drop in NAV between on a year-on-year basis, is it only because of the capital repayment or there is something else to that?

Harsh Shah: No, it is not at all because of capital repayment. I'll correct you. It has nothing to do with capital repayment. Capital repayment is just an accounting change based on tax rules. It has nothing to do with capital requirement. The NAV reduction has multiple factors that contribute to it. One of it is that when you have fixed life assets, then the value reduces. Some of our assets are fixed life assets, whose value will reduce. Second is the risk-free rate has gone up between quarter two of last year and quarter two of this year. So, risk-free rate will have a significant impact between the two in terms of negative side. On the positive side, we have acquired Virescent, we have acquired Khargone Transmission. So, that will have an accretive impact. So, it's a net impact that you see over there. If there were no acquisition of Virescent and Khargone, then NAV probably would have dropped more. So, it's an impact of few negatives, few positives. But it's not capital repayment. Capital repayment is just accounting term only.

Moderator: Thank you. The next question is from the line of Vipulkumar Shah from Sumangal Investment. Please go ahead.

Vipulkumar Shah: Can you quantify the two factors which you mentioned, which resulted in less than proportionate growth of EBITDA as compared to revenue growth of 20%?

Harsh Shah: Yes, Navin, you want to throw some light on that? Because I think it will be in financials also, so we can describe.

Navin Sharma: Yeah, Vipul, as we took the unit holders' approval for payment of accrual of acquisition fee which is 0.5% of enterprise value, the amount along with GST is around Rs. 23 crores and the incentive which was paid to the Virescent employees who have not continued with us is around Rs. 48 crores.

Vipulkumar Shah: So, net-net, it is Rs. 71 crores if I understood you correctly.

Navin Sharma: Yeah. 70 plus and there are some other expenses, but broadly these are two line items which have a larger impact. Overall, this cost is in range of around 2% of total acquisition value.

Vipulkumar Shah: So, roughly 80 cores, right sir?

Navin Sharma: Yeah, plus minus couple of crores.

Moderator: Thank you, sir. The next question is from the line of Muhammed Sufyan from Lalkar Securities. Please go ahead.

Muhammed Sufyan: I just needed to confirm whether this battery energy storage system, is it operational?

Harsh Shah: No, it is not operational. It is to be installed.

Muhammed Sufyan: It is to be installed. So, can you say, is there a change in the strategy to procure non-operational assets?

Harsh Shah: We had our first under construction asset 2 years ago called Kallam Transmission. SEBI allows us to do approximately 10% of our AUM is under construction. Including the Kallam Transmission, we will be less than 1%. But yes, we have gone into the development part of the business.

Moderator: Thank you sir. The next question is from the line of Mr. Ravish Chandra, an individual investor. Please go ahead sir.

Ravish Chandra: Excellent one more quarter result. And mainly we are at Rs. 27,000 crore of asset. My question is regarding this national monetization plan, we had some change from the government in the newspaper saying that, okay, acquisition, it has to go on a lease or something. Then some GST issue has come in between. So, any update regarding this?

Harsh Shah: What you are referring to, none of them are formal disclosures from the government. I think they are different statements provided by management teams over different calls. I think fundamentally what government has said that any monetization that is happening of the core assets should be in a manner that the assets come back to the government after whatever, 20, 25, 30 years. So, that's the in principle view, which we completely respect and support, that the government wants to monetize assets in a way that they're not losing complete control and eventually the asset comes back to the country. However, the implementation of this philosophy, we have a different view. There is not necessarily a GST impact. One can very well house assets in the SPV, sell it and buy back the shares at zero price after 30 years. That is what is happening in the new TBCB projects as well, which are on BOT. So, why cannot it not happen the monetization? So, however, I think it's not in our control to comment on that. So, we'll wait until the government seeks consultation for that. But there is an AOMT guideline which talks about how to monetize power transmission assets owned by government and state governments, which we believe addresses many of these issues. But eventually, the decision to monetize comes back to the respective ministry and respective PSU. I think there, people may take different views, which may or may not be in line with what the overall objective is.

Ravish Chandra: Right now, all Rs. 27,000 crores is our own asset. We have not yet gone into any lease kind of activity till now. So, if the government goes with that only, we have to go in the future. That's it?

Harsh Shah: Yeah, if we monetize in future, we will go and acquire those leases, they can get into that later.

Ravish Chandra: Okay, maybe a cost of acquisition also might get reduced because it is not our property. It is a lease for 35 years or whatsoever, isn't it?

Harsh Shah: Correct.

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

Harsh Shah: Thank you. Thank you everyone for joining the call today. And as we said, we are executing a strategy of focusing on building the business with a good risk return, superior returns, the least risk. And as you can see, the numbers speak for themselves. And we have been able to deliver that consistently over the last 6.5 years. And we are pretty confident of the quality of assets that we have and quality of management team that we will keep delivering and look forward for your support along the way. Thank you.

Moderator: Thank you. On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.