दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड
(भारत सरकार का उपक्रम)
THE NEW INDIA ASSURANCE COMPANY LTD.
(Govt. of India Undertaking)
पंजीकृत एवं प्रधान कार्यालय : न्यु इन्डिया एश्योरन्स बिल्डिंग, 87, महात्मा गांधी मार्ग, फोर्ट, मुंबई - 400 001.
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Ref. No.: NIACL/CMD_BoardSectt/2025-26 21st November, 2025

To,

The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street
Mumbai 400 001

The Manager
Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th floor, Plot C/1,
G Block, Bandra-Kurla Complex
Mumbai 400 051

Scrip Code: (BSE – 540769/NSE – NIACL)

Dear Sir/Madam,

Sub: Transcript of the Conference Call held on 17th November, 2025

With reference to our letter dated 12th November, 2025, intimating you about the conference call with Analysts/Investors held on 17th November, 2025.

Please find attached the transcript of the aforesaid conference call.

You are requested to kindly take the same on records.

Thanking You

Yours faithfully

For The New India Assurance Company Limited

ABHISHEK PAGARIA Digitally signed by ABHISHEK PAGARIA Date: 2025.11.21 12:14:08 +05'30'

Abhishek Pagaria
Company Secretary

दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड
The New India Assurance Co. Ltd

The New India Assurance Company Limited
Q2 & H1 FY'26 Earnings Conference Call
November 17th, 2025

Management:

1. Mrs. Girija Subramanian, Chairman-cum-Managing Director
2. Mrs. Smita Srivastava, Executive Director
3. Mrs. Kasturi Sengupta, Executive Director
4. General Managers and Chief Financial Officer

Abbreviations:

1. GWP: Gross Written Premium
2. ICR: Incurred Claim Ratio
3. ROE: Return of Equity
4. GDWP: Gross Direct Written Premium
5. GDPI: Gross Direct Premium Income

The New India Assurance Company Limited
Q2 & H1 FY'26 Earnings Conference Call
November 17, 2025

Moderator: Ladies and gentlemen, welcome to the conference call of the New India Assurance Company Limited arranged by Concept Investor Relations to discuss its Q2 and H1 FY '26 results.

We have with us today, Mrs. Girija Subramanian, Chairman-cum-Managing Director; Mrs. Smita Srivastava, Executive Director; Mrs. Kasturi Sengupta, Executive Director, General Managers and Chief Financial Officer, among other esteemed management members.

At this point, all participants' lines will be in the listen-only mode. Later we will conduct question and answer session. At that time, if you have a question, please press "*" then "1" on your telephone keypad.

Please note that this conference is being recorded.

I would now like to hand the floor to Mrs. Girija Subramanian, Chairman, Managing Director. Thank you. Ma'am, the floor is yours.

Girija Subramanian: Good afternoon, everyone, and thank you for joining the New India Assurance Company Limited's conference call to discuss our financial and operational performance for the Second Quarter and First Half of the Financial Year '25-'26. I am Girija Subramanian – Chairman-cum-Managing Director, and I am joined by my colleagues, Executive Directors – Mrs. Smita Srivastava and Mrs. Kasturi Sengupta, our General Managers and our Chief Financial Officer. We deeply appreciate your continued trust and confidence in our company.

We want to start by reaffirming our fundamental institutional strength. We have consistently been designated by the IRDAI as a Domestic Systematically Important Insurer (DSII), underscoring our crucial role in the Indian financial system. Furthermore, we maintain our highest possible domestic credit rating of 'CRISIL AAA/Stable' and a strong AM Best financial strength rating of B++ (Good). These ratings are a testament to our financial stability and capacity to honor all policyholder obligations globally.

The New India Assurance Company Limited stands today, honoring a corporate legacy that spans over 106 years. Conceptualized by Sir Dorabji Tata in 1919, we have played a pivotal role in shaping India's general insurance landscape. Our market-leading position is sustained by our extensive pan-India network and operations across 25 countries, ensuring we remain the largest non-life insurer in the country by Gross Direct Premium and a key contributor to the nation's financial resilience.

The first half of FY '26 has been a period of significant achievement and resilience for New India Assurance. I'm pleased to report that our Gross Written Premium reached RS. 23,875 crores, reflecting a healthy year-on-year growth of 11.5%. Crucially, our domestic premium growth surpassed the industry rate, enabling us to expand our market share from 12.60% to 13.75%. This momentum was primarily fueled by robust performance across our health, property and miscellaneous segments. This sustained market leadership demonstrates the strength of our underwriting approach and distribution network.

Despite the strong top line performance, the operating environment was certainly dynamic. We faced an unusually prolonged monsoon season and several localized flood events, which naturally placed pressure both on our motor and property portfolios. Furthermore, we instituted a necessary one-time provision for wage revision arrears and corresponding adjustments to employee benefit liabilities during this period. As expected, this provision temporarily impacted our underwriting margins and combined ratio.

However, our strategic focus on prudent underwriting and critically the exceptional performance of our investment portfolio allowed us to effectively mitigate these pressures. Our robust investment income supported by diligent portfolio management more than offset the impact of the one-time provision and the elevated claims from natural events.

Consequently, we delivered a phenomenal result on the bottom line, a 57.7% increase in Profit After Tax for the half year. This performance underscores the fundamental stability and financial strength of our company. Our solvency ratio remained robust at 1.79x comfortably above the regulatory requirement. Our balance sheet continues to strengthen, reflecting overall improvements in net worth and general reserves.

This balanced performance, achieving aggressive growth while navigating significant challenges and boosting our net profitability is a testament to the hard work and dedication of every employee or as we call them – 'New Indians'.

We remain confident in our strategy of pursuing growth with profit. We are committed to continuous improvement in our underwriting discipline, operational efficiency and digital initiatives to ensure an even better performance in the period ahead. And we are strategically focused on driving underwriting excellence to complement our investment income.

Financial performance summary, H1 FY26:

The Gross Written Premium (Global) stands at RS. 23,875 crores in H1 FY '26 as compared to RS. 21,408 crores in H1 FY '25.

Net Premiums Earned (Global) reported at RS. 18,768 crores in H1 FY '26 as compared to RS. 17,028 crores in H1 FY '25.

Net Profit After Tax stands at RS. 454 crores in H1 FY '26 as compared to RS. 288 crores in H1 FY '25.

Now coming to the important ratios for H1 FY '26, they are reported as follows:

Net Incurred Claim Ratio of 104.22%

Commission Ratio, 9.36% of Net Written Premium compared to 9.41% in H1 FY '25.

Expense ratio, 13.64% of Net Premium Income compared to 11.67% in H1 FY '25.

Combined ratio, 127.21% compared to 120% in H1 FY '25.

Solvency ratio 1.79x as compared to 1.81x in H1 FY '25 and

ROE ratio of 4.18%.

With this, I come to the conclusion of my opening remarks and invite our General Manager (Finance), Mrs. Mary Abraham to provide a detailed overview of our financial performance.

Mary Abraham: Good afternoon. I would just like to quickly go through the significant figures and the ratios since Madam has already covered quite a lot of the figures. Just looking at the Gross Written Premium, we have a year-on-year growth of 11.52% as compared to the half year for the period '24-'25. And remarkably, the GDP of the industry, though it grew at only 7.31% for the first half year up to September 2025, New India's GDP grew at 12.86%.

Looking at the incurred claims ratio:

The ICR did go up by 5%, but this was due to a few factors like the multiple floods in North India, where each individual event was not very significant, but where cumulatively, they did impact our net. Health claims also increased due to the prolonged monsoon season and the resultant diseases that followed. Miscellaneous lines of business had some cellular network losses and also bankers' indemnity claims.

Commission:

There was a fall from 9.41% to 9.36% in the half year of '25-'26. Operating expenses, yes, this increased, but this was mainly because we had made a provision of RS. 1,680 crores towards the arrears regarding wage revision, though it has not been notified as a prudent insurer, we have provided for this. And out of this Rs. 1,680 crores, we have taken Rs. 1,118 crores to the revenue account because those pertain to employees who are active, whereas Rs. 562 crores have been taken to the profit and loss account because they do not directly contribute to the operations of the company.

Investment income is significantly higher this half year, this quarter. And this helped us to mitigate the additional operating expenses that we incurred due to the wage revision. In fact, removing the impact of the wage revision, the operating expenses have come down, and this is because of office optimization through mergers and closures and the negative net addition of employees. So, overall, despite the high incurred claims and the provision that we had made, we ended with a profit after tax of RS. 454 crores, which was 57.7% higher than the profit of the half year '24-'25.

Coming to the segment-wise performance:

In Fire, we had a year-on-year Premium increase of 21.32%. Fire did very well. So, did health with a 15.12% and miscellaneous as well grew by 16.05%. The ICRs, however, as mentioned earlier, were adverse, mainly in Fire due to the multiple flood events in North India, as was mentioned earlier. And health also the ICR worsened slightly from 103.61% to 105.78%. In miscellaneous, too, there was a worsening of the ICR from 61.11% to 87.72% due to the cellular network claims. Motor continued to worsen. The ICR continued to worsen. One of the reasons for that was also the premium increase in Motor TP, which was long awaited, but has still not come.

Performance of New India with respect to the industry. The general insurance industry grew by 7.32% in the half year, the Financial Year '25-'26, whereas NIACL's GDP grew by 12.86%, outpacing the industry growth. And our market share has increased from 12.6% to 13.25%. The growth momentum continued in October '25 with company outpacing the industry growth.

Segment-wise market share. In Fire, we have a market share of 16.4%. Marine our market share is 17.31%, motor 9.63%; health, 16.54% and others 17.4%. Our overall market share is 13.25%. And the distribution mix through the agency, we've done 24.4% of premium. Through brokers, it was 37.83%. Direct, it was 31.01% and through dealers, 6.19% and bancassurance, 0.57% of our premium. These are the main figures.

I would now hand it back to our Chairman-cum-Managing Director.

Girija Subramanian: I think we have given a presentation on financial performance. Moderator can take it forward from you for the question-and-answer session.

Moderator: Thank you. We take the first question from the line of MW Kim from JPMorgan. Please go ahead.

M.W. Kim: So, I have two questions. Firstly, I have a question regarding the underwriting. So, the combined ratio indicate that the capital allocation appears less attractive across the most business lines. Should we expect that the potential premium hike in health or the motor insurance in the near future? Or do we expect that the similar underwriting trend may last for a while? And secondly, could you also provide an update on the time line for IFRS 17 adoption and risk-based capital adoption schedule? If we assume the IFRS 17 basis, should we expect an improvement in the combined ratio compared to the current disclosure format? Additionally, is there any potential for stronger solvency capital on the new risk-based capital framework?

Girija Subramanian: Thank you for the question. I think on the underwriting part, for the combined ratio, looking at the combined ratio, you were wanting to know whether there would be a potential premium hike in health and motor because of the way the books have performed. So, I would like to tell you that suddenly, there won't be a hike in such a small period of time. I think motor, we are using our strategies on the field to ensure that we pick up the right risks that we want to write in the right segments so that the ICR will then reflect the quality of the risk that we've picked up. So, we expect that since this is an ongoing process, and we have been trying this out for the last 2 quarters, the ICR basically is a result of the URR provisioning that has been done on the premium, on the earned premium basis. So, basically, this is also a reflection of the previous year and this year's business that we have underwritten. And therefore, this is not the right reflection of the way the business is going. And normally, by the end of the fourth quarter, we get to know the right actual ICR that the portfolio has. Since we are undergoing some kind of strategic changes in terms of what risk we want to write. So, in motor, it's basic a strategy that we are following, and we will have to wait and watch for the next 2 quarters before we decide to make any drastic changes. On health, basically, on the group, we are already correcting rates across the last 2 years, in fact, and this journey is continuing. At this point of time the increase in ICR is basically because of the extended monsoon season this time with increased hospitalizations on account of dengue and other infectious diseases and therefore, the ICR has been high and otherwise, the premium hike is on the group business is already there and, on the retail, we have got a table normally of premium that we charge, and we normally do not, increase that very frequently. But we see that this trend in ICR, the correct ICR reflection will be there by the end of the year and we are quite sure that we will be improving in the trends with respect to last year.

As regards to the second question on the time line for IFRS 17 adoption, the time line is determined by the regulator is it will be implemented in toto from 1st April '27 and during the year '26-'27, we'll be having a parallel run along with our current accounting system. And obviously, in order to determine that this software and other aspects that we are adopting, they go smooth. This 1-year gap is given for us to see that we do a parallel run. But from 1st April '27, we are mandated to go live on this IFRS 17. Our Actuary, Mr. Sharad Ramnarayanan will explain a little bit more on this.

Sharad S Ramnarayanan: Regarding your question on the combined ratio under IFRS 17, of course, the way it is the results are drawn where you get credit for the investment income and the operating results. So, there will be an improvement in the combined ratio equivalent of IFRS 17, so to speak. But right now, we are not in a position to tell you exactly how much it will be, but there will definitely be an improvement in the equivalent combined ratio, I can say. Coming to RBC that is also the regulator has to notify. We are yet to hear from them, but they are actually collecting data on the various different kind of models which they have rolled out from, first quantitative impact study is done and second one has also been submitted. So, the final version once it comes and when they will roll it out, it is for the regulator to notify. But we do expect RBC to be rolled out shortly.

In terms of impact, of course, it will be until the final version is out, it will be too early to say. But for the kind of assets which the company is having, we don't foresee any kind of solvency strain because of RBC.

M.W. Kim: Thank you so much for the detailed explanation.

Moderator: Thank you. We take the next question from the line of Rahl Sahu, who is an individual investor.

Rahl Sahu: My first question is - could you walk us through the key drivers behind the year-on-year movement in the net profit during the quarter? I just wanted to know the key drivers behind the year-on-year movement happened in the net profit during this quarter.

Girija Subramanian: Yes. So, the net profit during this quarter has been impacted because of onetime provisioning for the wage revision of our employees, which is to the tune of RS. 1,680 crores. So, in this quarter, this is a onetime exceptional provisioning wherein we are doing a wage revision arrears provisioning, which is effective from 1st August '22 to date till the time of the notification. The amount that has been provisioned RS. 1,680 crores is on account of that. And out of this, around RS. 562 crores was taken to the profit and loss account because this relates to provisioning on account of retired employees who are no more in active service and who don't contribute to the business of the community. The rest of RS. 1,118 crores is taken to the revenue account, and therefore, it impacts both the combined operating ratio as well as the profit before tax.

In this quarter, this is a major factor that has impacted our results. The ICR have gone up in this quarter because of as I told you in health, because of increase in incidence of infectious diseases as well as increased hospitalization on account of that and in case of motor, the third-party rates have not increased. This has been the case for many quarters now. And this quarter, again, the ICR has gone up because of increased TP premiums not being sufficient. So, these two reasons and at fire, there has been sporadic events of CAT losses across the country, wherein the CAT losses have caused huge losses to small establishments and businesses, which did not get recovered under our reinsurance program. The entire losses on account of these CAT losses, which are around 7 or 8 in number have been absorbed by a net account. And without any reinsurance support, and that has also contributed highly to the ICRs.

Now the first 2 quarters of any year normally are exposed to these kinds of losses because it's the rainy season and the affected seasons, normally, they operate during this period of April to September. But this time, there has been extended rains, as you know, it has gone even into November. And therefore, the impact is a little bit more. But the third and the fourth quarter of any year, normally, they balance out the ICR of the previous 2 quarters, and we expect this year also to be nothing different. It will balance out, and we expect a better result in the progressive quarters.

Having said that, the growth that the company has shown in the last 2 quarters has been phenomenal, and we have outpaced the industry. The industry grew at 7.85%, and we grew at 13.45%. So, I think we have beaten the industry and I think to this in all lines and despite this huge provisioning for wage revision, we still have a profit after tax as well as profit before tax, positive numbers and we have also maintained our solvency almost at the levels of that was there earlier at 1.81x, which was earlier, now it is at 1.79x, which is a very small dent compared to the huge provisioning that we have had to do for this wage revision.

So, all in all, I believe the story that we have to tell for the last two years has been phenomenal. And it just shows the resilience and robust financial stability of New India Assurance that we are able to meet such kind of shocks, such kind of huge exposures and still show very, very sound results for people who invest in us, for people our insureds, for all our stakeholders that this company remains strong despite these kinds of very strong wins going against us. Does this answer your question?

Rahl Sahu: Yes. And another question I have how is the digital transformation journey progressing? And which are the areas seeing the highest adoption?

Girija Subramanian: Yes. So, the digital transformation journey is going very well. We have a huge focus on the digital transformation in our company. We have initiated several steps towards automation of routine and standard processes using artificial intelligence tools like optical character recognition, intelligent character recognition. Optical character recognition project is far ahead, and we are in the test stage and very soon, this is already being used, in fact, by the motor digital service providers. And this is going to enhance the PAT of the claims on motor to a large extent. The intelligent character recognition, which converts the handwritten documents into a machine-readable format will take some time.

We are trying out certain software and testing them on our claims. And once we get a complete proof of concept from our vendor and able to do a lot of testing around this, we'll be deploying this. And I think this will be a game changer for us since we are having an increased trust in retail as a segment. I think this is going to be helping us to reduce our claim processing time significantly and allow us to go digital, both on the underwriting, the accounting as well as on the claims side.

Now in another effort, the company has onboarded fintech's and Insurtech start-ups for advanced data analytics so that we are able to take informed calls regarding product pricing and risk analysis on price-sensitive lines like motor, like health, retail. And this is something we want to do so that we are able to pick policies and pick risks at the right price, and we are able to bring in huge savings to the company and reduce costs. The company is a process also of finalizing a vendor for the fraud, waste and abuse control and using algorithm tools to analyze fraudulent transactions and detect anomalies where for saving insurance fraud costs, which will significantly save us from paying fraudulent claims.

This is going to help us in a big way in the health underwriting, mainly in the health and motor areas. The company has in place already digital platforms, WhatsApp and AI-powered chatbots, offering 24 x 7 self-service options for policy management, claims filing and customer support in 8 languages. This reduces need for extensive human intervention, lowering administrative costs and customer acquisition costs while increasing customer retention and customer delight. We are in the process of optimizing use for our customer portal and app to ensure that customer interface is user-friendly and reduces the acquisition cost considerably. With the digitization, the printing cost, storage costs, operational costs in managing huge office space are expected to go down. And also, the travel cost for spot surveys in case of digital claims that can be easily done by using these automation tools.

So, we expect that with all these initiatives that we are doing, we will bring down the cost for the company as well as increase customer delight in a big way; as well as reduce the claims TAT around most of our retail segments. Now, I think this should have answered most of your queries. Should I give some more examples?

Rahl Sahu: No, no, it's noted ma'am and I just have a last question is like are there any new products or the renewal plan under the new IRDAI reforms?

Girija Subramanian: Yes. New India as a proven leader in the market, we have actually this year, introduced many new products in the market. As you might be aware, we have had two different verticals within the company this year. One is for serving the MSME sector, which is a focus area for us. For this, we have come out with focused products that address SME sector as well as women entrepreneurs also who are into this sector in a big way. And for this, we have extensively partnered with news agencies and media agencies to ensure that we bring in awareness among these communities for need, for insurance protection. And we are going at, I mean, all lens to ensure that we cover the huge yawning gap of 90% uninsured units among the SMEs.

This is one big area, I think, which we intend to cover by this SME product, which covers not only the property and assets, but also the business interruption, the PA, the workmen's compensation and several other aspects with many more add-ons that we could offer, including cyber for these kinds of enterprises.

Now there is one more big first that New India bought in this year and which we believe is going to bring in a revolution of sorts in the insurance industry in the near future. And that is the Nishchit Suraksha product, which is a parametric product, which allows us to pick up huge groups of insureds and ensure them against weather-related perils for which there is a reliable data vetted by the government, which is maintained by a third party, which is vetted and recognized by the government. So, that we ensure that the trigger that is there because of a weather-related event is absolutely very authenticated by a third-party agency and on the happening of the trigger, then we pay the claim to the policyholder, direct benefit transfer to their bank account within hours or within days as compared to the normal way of assessment, which takes days and several days to give.

So, this is expected to bring in a revolution of sorts in the insurance -- the way insurance is looked at in this market, and there is going to be a lot of informal sector like the casual laborers, maybe the people, the gig workers, who are normally not looked at very safe for insurance to get protected under this product, and we're going to bring in financial inclusion by way of this product in a big way. Governments and related entities are looking at this product with a lot of interest, and we expect that in the near future, people will buy this product, and we'll have many people covered under this product. So, this is one more first, which New India Assurance has done.

Another one that we did recently was to give a business interruption cover on the occurrence of a pandemic, which is the first time such a cover is being given in the country. When we had COVID, many shops without any fire or burglary or any such incident suffered heavy losses but they could not operate. So, that is called business interruption loss, and this will be covered by this particular product that we have come out with. We have done it with one of the leading malls in Mumbai, and we will continue to hope to get more such interest from related entities for this cover. And this is something that will help in the case of another pandemic, if at all it were to happen in the near future.

So, these are 3 things which New India has got. There is one more that is happening, but which I cannot talk about since we have not introduced it in the market. But these 3, we already introduced, and I think no other company in India has introduced so many products in a single year.

Moderator: Thank you. We take the next question from the line of Julia Kim from JP Morgan. Please go ahead.

Julia Kim: I have three questions on topics, so I will just quickly go. So, the first question, we had a question about crop insurance. Since crop insurance is a significant market opportunity we see, and there is a growing expectation and we think there might be some expectation for companies to demonstrate social responsibility by developing this agricultural insurance and crop insurance underwriting in India. So, could you share us the reasons or the company's stance behind the underwriting the crop insurance? And whether there are any plans to reconsider such underwriting segment in the future?

And then my second question is on the company's risk management practices. So, given the current underwriting stance and the profitability of the company, could you please update us if there's any major changes on your excess of loss of the reinsurance XOL arrangements in this year? And if you have any strategies or thresholds being implemented going forward to enhance your risk management strategy? And that's my second question. The third question is about capital gains. So, very briefly, do you have any specific targets for capital gains amount in this quarter and in the year? So, we would like to understand this for projecting the company's future profit generation capabilities.

Girija Subramanian: Thank you so much for your questions. Regarding the first one, the crop insurance, yes, I totally agree that it's a social responsibility of the company to be participating in the crop insurance scheme. Having said that, crop insurance being a very specific line requires a lot of feet on the floor and people who can attend to these as a field job and you need a specific field force only to attend to crop. So, this is something that New India right now, the human resources that are present are found wanting even to cater to the current level of work and the growth that we have and therefore, putting so many people exclusively for crop is something which right now the company is finding it difficult to do.

Having said that, since we have a parametric product now in place, we will definitely consider doing crop on a parametric product basis by which we do not need to deploy so many people on the floor, and this could be done with more efficiency and more authenticity at our end. So, definitely, we will be contributing to the social responsibility of the country in a much more authentic way.

Now, with regards to risk management policies of the company, the risk management ERM department of the company is very strong on its risk management policies. As regards to I mean we have got our own risk mapping and our exposure to big major risks and review of these risks at frequent intervals. With regards to the reinsurance purchases, the XOL arrangements are reviewed every year. This year also, the XOL arrangements were reviewed before purchase. And we have done a lot of changes to the structure, and we've had an increased and improved structure with us for reinsurance this year. In fact, we moved to a multiyear contract on the layer 1 and layer 2 of our capped XOL purchase and which we got at a very good price efficiency.

But the point is that at the bottom, since we are a company in operation for 106 years, there is a level of net retention or basis retention beyond which reinsurers themselves are not willing to give us the cover. So, for this net retention part, when we have to retain it to a net account, we cover this by the way of the CAT XOL. But the absolute net is something for which we have to actually think this year whether we need to buy some aggregate XOL cover because the number of CAT losses that we have had and the extended monsoons have caused us a few losses this year. And we'll be reviewing the cover again this year to see whether we need to buy something else at the bottom. I think last year also some such effort was made, but then the price discovery that happened did not encourage us to go further into that road. This year, anyway, since we are paying a heavy price for so many CAT sporadic events, I think we'll have to look into this part again, and we'll be seriously giving it a look.

The last part is about maintaining the profitability of the company, looking at the way as I already told you that the growth has been phenomenal. The risk selection has been tested this time because we have moved on in motor from segments that we didn't want to write and we have not been writing them. And the ICR that you see is because of the earned premium impact that is there and the ICR, the claim issues also reflect the part of the last year's premium that we have written and therefore, the ICR is very high.

But having said that, this year, I think as the quarters go by, you will see a marked improvement in the performance of the company across all segments. And since I believe we have seen the lots of the CAT sporadic events this year, possibly we could expect a couple of next quarters to be a little bit more reasonable on such kind of surprises and we will see better results coming forward.

Upon market opportunity, so even as far as our normal duty is concerned, we use the equity market very efficiently. So, depending on the kind of volatility that is there in the market, the opportunities that the market presents, we will be utilizing the market dynamics to the benefit of New India Assurance. So, on the investment front also, I'm sure we will perform better like we have done excellently in Quarter 2, and it has helped us to tide over this wage revision provisioning. In future, I'm sure that we will continue to do that, and we'll get best yield for New India out of the funds we have.

Moderator: Thank you. We take the next question from the line of S. Ramesh, who is an individual investor.

S. Ramesh: So, the first thought is in terms of the reduction in GST to nil. So, there must have been some impact in Q2 and you must still be in the process of reconciling that with your pricing and the growth. So, how much would have been the impact of the reduction in the benefit of the input tax credit in the 2nd Quarter? And on the current GST regime, what is the kind of incremental growth that you expect in terms of the health policies, say, over the next 2 quarters? And how would that benefit your growth in the second half?

Girija Subramanian: So, actually, the reduction in GST was something that the insurance industry in non-life has been asking from the ministry for a very long time because the health premiums being already high because of the claims performance or the claims ratios, claims that have been seen across age groups in the last few years, mainly because of hospitals not being regulated, claims have been pouring in into the health sector. So, we have been asking for this reduction in GST, at least for the senior citizens group because it will help them pay the premiums in a more affordable way. But now the Finance Ministry has agreed for an entire waiver of 18% on all the retail insurance covers for health. And we welcome this, and we have actually given the entire benefit to customers. And the hit for this to our account would be around Rs. 100 crores because we have not distributed this to any of our agents.

The other companies have passed part of this to the agents. But since already our agents are not as highly paid or highly remunerated as the private sector, we thought it was not proper to punish them for this GST waiver. And therefore, we have taken it to our account. We believe that this gesture has gone very well with the public and we have seen a lot of interest around our products. We hope to see a lot of growth. Our retail element of the health is just 20% and it's a long-term target to see that it goes up to 50% of our book and the immediate target in the near term to be around 30% of our book. So, I think these targets will more or less be able to achieve in the next few quarters because of this gesture. And we expect that overall, around Rs. 100 crores hit to the books because of this input tax credit not being available to us.

S. Ramesh: Okay. So, the follow-up to that is in terms of your distribution cost, do you see any change in the distribution cost because of this change in GST in the third and fourth quarter? And second thing is, if you look at your overall distribution mix, 30% is in-house, rest is outsourced. So, what is the difference in the cost as a percentage of your overall business between the in-house distribution of 30% and the balance 70%, which is through agents and brokers and others?

This is follow-up to that question was regarding the distribution cost. So, as a result of the change in the GST reduction to nil, how do you see that impacting your overall distribution cost because they all distributors also face the same impact, right? So, how do you see that impacting your distribution cost as a percentage of your business? And the second thought is in your distribution mix, 30% is in-house, rest is through brokers and agents. So, how does this mix impact your overall cost as a percentage of revenue between the in-house distribution as well as through third-party distribution?

Girija Subramanian: Actually, as I told you that we have waived that 18% GST, wherein we have given it completely to the customer where the input tax credit, we are not able to avail, which we have taken it to our P&L. We have not disturbed the agents, and we will not be charging it to them in the third and fourth quarter as well. So, it will continue to be entirely to us. And I think this is going to impact the company positively because the agents have seen a renewed sense of trust and understanding with the company and I think this will get us more growth on the retail side.

S. Ramesh: So, in terms of your distribution mix, as I asked, between the in-house distribution and third-party distribution, what is the difference in the percentage distribution cost as a percentage of revenue between these 2 channels?

Girija Subramanian: Between broker. You mean in-house? What do you mean in-house?

S. Ramesh: In-house is direct. Yes.

Girija Subramanian: In-house is direct. There is no cost because we do it ourselves. So, when an agency, you have to give the agency commission for broker, we have to give brokerage and bancassurance, of course, we have corporate commissions. But direct is absolutely a commission.

S. Ramesh: So, the entire 9%, 9.5% of distribution cost is for third-party distribution. Okay. So, one last thought in terms of your operating expenses for the first half, if you remove that RS. 1,186 crores of arrears paid on wage revision, you are actually seeing a Y-o-Y decline. So, this lower operating expense in absolute terms in rupee value, is that kind of something which you can assume as a run rate for the third and fourth quarter, which means your overall full year operating cost will be possibly showing a decline. Is that kind of...

Girija Subramanian: Yes, yes. There is a decline in operating ratio if you remove the RS. 1,680 crores of provisioning. And that is why because there has been a concerted effort. We have been closing certain offices in the country because they are redundant and they do not cater to many much of customers and there used to be 2 - 3 offices in the same area, which would cater to the same customers. And in order to make the most efficient use of human resource as well as space, we had taken a Board Decision to close some of them. And that has also reduced the cost to a large extent. And basically, we have done well on the operating ratio a bit of it, but which has been camouflaged because of this onetime big provisioning we had to do.

S. Ramesh: So, this operating ratio, will it be sustainable, say, in FY '27 as well if you see this reduced run rate?

Girija Subramanian: Yes, it will because offices have been closed forever. So, obviously, the expense that we got rid of has been done forever.

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

Girija Subramanian: Thank you all once again for your insightful participation and questions today. Before we conclude, I would like to leave you with a key message from our H1 FY '26 performance. New India Assurance delivered strong and resilient growth, recording 11.5% increase in GWP and a remarkable 57.7% rise in profit after tax. This was achieved despite the one-time wage revision provision and elevated weather-related claims. Our investment portfolio continues to perform exceptionally well and significantly supported the bottom line. The company remains financially robust with a healthy solvency ratio of 1.79x.

Thank you very much for joining us today. As we approach the new year, we extend our warm wishes to you and your families for a safe, peaceful and fulfilling year ahead.

The management team and I remain fully committed to strengthening operational excellence. During the first half of the year, we continue to apply firm underwriting discipline with particular attention to segments where loss ratios were temporarily elevated, including health and property. We also maintained our focus on enhancing process efficiency through digital and technology-driven improvements, supporting better claims management and wider distribution enablement. These ongoing efforts reflect our continued emphasis on balanced growth and underwriting discipline.

Thank you once again for your time and engagement. We look forward to staying connected. Wishing you and your families a wonderful start to the new year.

Moderator: Thank you. On behalf of The New India Assurance Company Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.