

Date: 29.01.2024

To,

<b>The General Manager,</b> Listing Operations Department of Corporate Services <b>BSE Limited</b> P. J. Towers, Dalal Street, Fort, Mumbai- 400 001  <b>Stock Code: 532891</b>	<b>The Manager,</b> Listing Department, <b>National Stock Exchange of India Limited,</b> Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai- 400 051  <b>Stock Code: PURVA</b>
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**Sub: Transcript of Earnings Call**

Dear Sir/Madam,

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the transcript of the earnings call held on Tuesday, 23<sup>rd</sup> January, 2024, on unaudited Financial Results (Consolidated and Standalone) of the Company for the quarter and nine months ended 31<sup>st</sup> December, 2023 is enclosed herein.

This is for your information and records.

Yours sincerely

For **Puravankara Limited**

**Sudip Chatterjee**  
**Company Secretary**  
**Membership No.: F11373**

# PURAVANKARA

## “Puravankara Limited Q3 FY-24 Earnings Conference Call”

**January 23, 2024**

**PURAVANKARA**



**MANAGEMENT: MR. ABHISHEK KAPOOR – EXECUTIVE DIRECTOR &  
GROUP CEO, PURAVANKARA LIMITED  
MR. VISHNU MOORTHY – SENIOR VICE PRESIDENT  
(RISK & CONTROLS), PURAVANKARA LIMITED  
MR. NIRAJ GAUTAM – PRESIDENT (FINANCE),  
PURAVANKARA LIMITED**

**MODERATOR: MR. ASHUTOSH MITTAL – AXIS CAPITAL**

**Moderator:** Ladies and gentlemen good day and welcome to Q3 FY24 Puravankara Limited 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 ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Ashutosh Mittal from Axis Capital Limited. Thank you and over to you sir.

**Ashutosh Mittal:** Good evening, everyone and welcome again to the Post-Result Conference Call of Puravankara Limited.

We have with us the senior management of the company with us led by Abhishek Kapoor – Executive Director & Group CEO, Vishnu Murthy – Senior Vice (President Risk & Controls) and Neeraj Gautam – President (Finance).

I now handover the call to the management for the initial comments.

**Neeraj Gautam:** Thank you Ashutosh. Good evening, ladies and gentlemen. Thank you for taking the time to join Puravankara Limited Earning Call for the 3rd Quarter of FY24. I am Neeraj Gautam – President Finance at Puravankara Limited. Thank you for joining us today.

We are pleased to present our Financial Results for the Quarter Ending December 31<sup>st</sup>, 2023. The results along with a comprehensive presentation have already been made available for your review on the stock exchanges.

**To begin with let me share my thoughts on the broader circumstances both globally as well as on the macroeconomic front:**

Amidst global uncertainties India’s economy remained robust evidenced by the RBI’s upgraded FY24 GDP growth forecast to 7.0% from 6.5%. A stable interest rate and controlled inflation bolster the economic prospects, the surge in demand for residential real estate, mirrors increased economic activity and rising income in 2023 strong interest from both foreign institutional investors and domestic institutional investors boosted India’s global index rate. Political stability and ongoing economic reforms positioned India as the fastest growing major economy.

**Turning to the performance of our Company Puravankara Limited:**

The first nine months of FY24 have witnessed exceptional presales marking a strong growth of 89% compared to the same period last year. We achieved a sales value of INR 3,967 crores for the nine-month period FY24, the highest ever for a nine-month period since inception.

In Q3, coming to the quarter sales figures, the sales performance across our brand showcased robust figures. Puravankara led with INR 663 crores, Provident followed closely at INR 419 crores and Purva land contributed INR 158 crores with a total sales value of 1,241 crores which is 56% up compared to the same period previous financial year.

**Now coming to the geographical contribution:**

Bangalore emerged as a primary driver capturing a dominant share of 52%, followed by Chennai at 27% and Cochin by 9%. The average realization was INR 7,610 per square feet for the quarter. However, if you look at a nine-month period our average realization was Rs. 7,916 per square feet.

**Coming to the new launches:**

In Bengaluru, we introduced Provident Deansgate boasting a saleable area of 0.6 million square feet with an initial launch area of 0.3 million sq ft. Meanwhile in Chennai we presented Purva Soukhyam, a plotted project with a salable area of 3.16 million square feet initiating with a launch area of 0.82 million sq ft.

**Coming to the business development front:**

We are expanding our horizon in aligning our strategic vision, we eagerly step into the Mumbai redevelopment market. Our inaugural project encompasses approximately 6 lakh square feet with a gross domestic value of about 1,500 crores. The Mumbai landscape holds tremendous potential, and we are actively pursuing several opportunities, currently engaged in advanced strength of 4 societies. Our launch pipeline is equally robust. We have an impressive launch pipeline of approximately 13 million square feet ensuring a steady flow of new projects in the coming period. Non-Bangalore projects now account for 42% of the share of ongoing and 77% of launch pipeline. On a division basis, Provident accounts for 44% of launch pipeline in line with market trend and the group's strategy.

**Coming to debt management:**

In addressing our debt we're pleased to highlight a positive trajectory demonstrating a fiscal prudence. Our net debt has reduced from INR 2,135 crores in Q3 FY23 to INR 1,741 crores in Q3 FY24, making a substantial decrease in net debt ratio from 1.09 to 0.85. Notably our debt has decreased by INR 251 crores and gross debt by INR 53 crores from the previous quarter. Equally significant is the decline in the debt per square feet of building space dropping from INR 1,291 crores in Q3 FY23 to INR 791 in Q3 FY24 reflecting our commitment to efficient capital utilization and fiscal responsibility. With this our debt per square feet of under construction area has decreased by around 62% over the last 5 years.

**Coming to the customer collection:**

Customer collection has been a driving force in our financial performance totaling to INR 2,515 crores for the first nine months of FY24 and 941 crores for Q3 FY24. These robust collection figures underscore our commitment for execution excellence. The impact of our effective collection strategy is evident in the operating surplus reaching INR 418 crores for Q3 FY24 and INR 965 crores for the cumulative nine months of FY24. Remarkably our operating surplus has experienced a substantial year-on-year growth of 101%, a testament to our aggressive execution, heightened collection efforts and operational efficiency.

I would like to draw your attention to the fact that as on December 31<sup>st</sup>, 2023, the balance receivable from our sold units amounted to approximately 3,857 crores. This impressive figure covers around 78% of our remaining cost required to complete the inventory currently open for sale. This indicates that a significant portion of the cost to complete the remaining inventory has already been secured through receivables, providing us with a strong foundation to meet our financial commitments. Moreover, our cash flow visibility is equally promising with a projected amount of INR 6,747 crores expected over the period of 3 to 4 years. In addition to this there are cashflows from two new commercial projects, if we value this today it is about 1,308 crores. This signifies our sound financial planning and ample cash reserves to support our operations, projects growth initiatives in the foreseeable future.

**Finally turning to our financial performance; in Q3 FY24:**

Our total revenue grew by 45% year-on-year to INR 596 crores. The EBITDA for the Q3 FY24 was 218 crores with a 37% EBITDA margin. The PAT for the Q3 FY24 was INR 78 crores. For nine months FY24 our total revenue increased by 37% to 1,313 crores, in nine months FY24 which was 961 crores in nine months of FY23. The EBITDA for nine months FY24 was 392 crores with a 30% EBITDA margin, the PAT for the period of nine-month period was 49 crores.

**In conclusion:**

I want to highlight that Puravankara is well set to benefit the real estate sector's growth nationwide. Our strong sales consistently beating targets, thanks to careful project choices, effective marketing, connecting the customers and the commitment to delivering great products as we move forward. Thank you for listening and now I am closing my opening remarks. For your questions and suggestions, my colleagues and I are here to answer all your questions and take the feedback which you would like to give us.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Chintan from Puniska Family office.

**Chintan:** How many units we have delivered this quarter?

**Neeraj Gautam:** 498 units.

- Chintan:** What is the plan for FY25? How many square feet we have delivered to planning?
- Abhishek Kapoor:** So, while we don't give any guidance numbers. We will come back with the exact number that we are looking at delivery in the next financial year.
- Chintan:** In last con-call you mentioned that we have a pending delivery of 2500 units in H2 FY24. So now we are pending of close to delivery of 2000 units, correct?
- Abhishek Kapoor:** Correct. You're right.
- Neeraj Gautam:** We have already delivered about 1405 units for nine-month period.
- Abhishek Kapoor:** Now, OC already we have received for three of our projects in the last quarter, towards the end of the last quarter. We're expecting three more projects to give OC within the next two fortnight. The final stages where we are expecting the OCs to come in and those deliveries will happen. So, I think the last quarter we have been mentioning for a long period of time will be possibly one of our biggest quarters for delivery because all the OCs and the delivery of the projects are coming in. And of course, the handover takes a little time but once the OC is there then it's only a matter of time for delivery.
- Chintan:** What is the current unrecognized revenue?
- Neeraj Gautam:** If you go to our balances. If you go to our cash flow plus the revenue to be recognized, cash flows if you go to our Slide #29 that gives the detail of the balance receivable from the sold units. However, the question I understand your question is more related to how much balance revenue to be recognized. If you go to our, we have not published in these nine months period the balance sheet because that is not required to be published, about 6,000 crores is a sales value which is advanced from customers for which I have yet to recognize the revenue which is part of our advanced from customers in the balance sheet.
- Neeraj Gautam:** Which are value of our unsold inventory which is there in the Slide #29 is about 5,617 crores and of course as I mentioned to you about 6,000 crores is the advanced received from customer where I have yet to recognize revenue. However, I will send you the exact number off-line.
- Chintan:** If I look at your cost from borrowing just, it is close to 11.49. Any efforts we are doing to bring it down more whether real estate taking borrowing or any efforts or any plan for it?
- Neeraj Gautam:** Yes, it's very much a plan. If you look at my cost of borrowing has come down compared to the immediate previous quarter, it's 11.49% which was the previous quarter is at 11.61%. So as and when I'm launching project, I'm converting land loan into the residential loan at reduced interest rate and which is already reflecting previous quarter to this quarter which has come down. And we are putting the continuous effort to reduce interest rate by taking the new loans at a competitive rate and refinancing the existing rate also for a lower interest rate loan.
- Chintan:** For the commercial project we are looking for lease it out or to sold it out, how we are....?

**Abhishek Kapoor:** So currently our goal is to lease out one asset and sell one. There is one asset which is about 2.1 million square foot which is under construction on the airport road in Bangalore and the other one which is at Kanakpura which is about 800,000 square feet. At this point in time, we haven't sold anything. Very active interest is there in leasing. There are multiple LOIs which are currently in progress. So yes, we'll wait it out and see how it goes. If we can hold on to the inventory, we prefer the whole lease model because we want to build a portfolio over the long term. However, one is a JDA, one is an owned asset. 2.1 million which is an own asset, definitely we are going to own and keep. The JDA asset we will evaluate as and when we get closer to completion. Currently, we are leasing out both the assets.

**Chintan:** One request if you can tell that in the presentation the possession date of each ongoing or development project. That would be a great help.

**Abhishek Kapoor:** We'll make sure that we can publish the expected date of completion of these projects.

**Moderator:** The next question is from the line of Mr. Ashutosh Mittal from Axis Capital.

**Ashutosh Mittal:** My question is related to your entry into Mumbai redevelopment. So, you guided for you are an advanced discussion for four projects. What kind of projects and what micro-market specifically you are looking at and how would the margins be different for these projects versus your other existing projects?

**Abhishek Kapoor:** We are looking at all the markets both in the western and central suburbs and of course in south Bombay. Currently actively pursuing, actually we have participated in more than 12 projects. In terms of the tendering process active, shortlisted conversation engagement going on four, mix of all three markets which is south, west and central. And from the margin point of view, we are continuing to target our EBITDA margin of about 30%.

**Moderator:** The next question is from the line of Vignesh Iyer from Sequent Investment.

**Vignesh Iyer:** I just wanted to know which projects are expected to get OC in the coming quarter and could you tell me how many units is coming from this each project?

**Abhishek Kapoor:** So, we are expecting Zenium, Somerset, Promenade and Tivoli. Tivoli partially we have received the release of sites. The balance we will get now in the coming week or 10 days. Between all of these, the total inventory would be about 840 units. We also got OC for Equinox in the last quarter. So, in all if you take including the last quarter, we'll have about (+2000) inventory available with OC.

**Vignesh Iyer:** Including the Quarter 3 OC, right?

**Abhishek Kapoor:** Yes. Will be available for handing over about (+2000) units will be available for handing over with OC.

**Vignesh Iyer:** We have got a good pipeline in Quarter 1 of FY25 and followed by Quarter 4 and Quarter 1. What is the presale target that the company, what is the internal estimate of the presales target for FY25 for the company unit wise and maybe even value wise if you could help us understand?

**Abhishek Kapoor:** We don't give guidance as I mentioned earlier on what we are expecting in terms of the sales numbers. But we do publish our expected launch pipeline. And from our past track record you can kind of assess for yourself. But we normally don't give guidance. But what we do give guidance on is the number of launches that we are booking. If you look at our Slide #16 that will kind of give you a trend of the sales trajectory that we have achieved. For example, for the nine-month period last year versus this year, we were in 23 at 2.78 million square foot for three quarters. This year we are at 5 million square feet for the three quarters. I think the sales value has gone up by about 89% and volume has gone up by little over 80% if I'm not wrong.

**Vignesh Iyer:** So, going by the trend we can expect similar or better performance going ahead would be the right, like you have done a CAGR of 28% in last 4 years. So, we can expect similar line improvement going ahead.

**Abhishek Kapoor:** Look again as I said we don't give guidance, but our effort is definitely to continue our growth trajectory.

**Moderator:** The next question is from the line of Shivang Joshi from Centrum PMS.

**Shivang Joshi:** You indicated in one of your slides about your launch pipeline for the fourth quarter. Just wanted to understand there are six projects in that slide. I'm referring to Slide #22. What is the status of approvals for all these projects? What is the likelihood of any project launch getting delayed to price here quarter or two?

**Abhishek Kapoor:** No there are none of them which will get delayed by a quarter or two. We are actually at the final stages of all of these projects. Some of these are already approved projects where we are opening a new phase. We already have the approvals and some of these projects we will get the approval. So, we are confident that we should be able to take these to the market in between this quarter and the next quarter. There is nothing that out of this inventory that will go to the quarter beyond this quarter in the next quarter.

**Shivang Joshi:** And indicatively can you give a number as to I understand you gave your launch pipeline for next year but a ballpark number as to what will be your area to be open for sale, new projects as well as new phases in existing project for FY25, any number?

**Abhishek Kapoor:** So, look if you look at our current inventory which is available for sale it's about 5.65 million square feet. What we have sold already in the nine-month period is 5 million square feet. What we are planning to add and open for sale from the launch point of view, is about 10 million square feet, we are going to add in next day two quarters. Now if you look at this trajectory and our existing what is inventory available which is not open for sale, I think we will continue to open approved project for sale as we get, we have our own internal criteria that only upon certain



percentage of sales having been done, we will open for sale. But our goal obviously will be to continue our growth momentum. Last quarter we will see where we land up. It will obviously be (5+X) million square feet and then again, the next quarter. So, our endeavor will be to continue the growth momentum and we will publish our data on next year's launches in the first quarter of the next financial year.

**Shivang Joshi:**

I just wanted to understand since you are venturing big time in Mumbai what kind of outlook would you have? So, when you mentioned margins, you have been giving a brief idea what kind of project level margins that you may keep, including your target 30% in Mumbai projects, what would be the overheads over and above this project overheads? If you can just briefly indicate since you are aiming big in Mumbai markets now.

**Abhishek Kapoor:**

So, are you asking—just to confirm you're asking—about the margins only or is there any other question you had?

**Shivang Joshi:**

Margins only but 30% I believe would be at project level. What kind of other overheads do you have in your books?

**Abhishek Kapoor:**

So, if you look at our standard model, EBITDA number will continue to be 30%. And when we say EBITDA it's largely the cost of capital that is left for the calculation of the PBT. So, we will continue to target the cost structure there, how we operate is a percentage of the construction cost and we target that percentage of construction cost. In fact, fortunately because we are kind of a player who is multiregional, we have scale and that helps us keep our overheads in check and uncontrolled. We have three different brands which require different level of overheads versus a Purva Land where your turnaround time is very short versus a Provident where scale is very large versus a Puravankara where it's all premium and the construction cost is slightly higher. So, on an overall average, we are quite certain that we should be in the 30% ballpark range or plus. As far as each of the brands is concerned, I think we are and region wise is concerned our average goal has to be at 30%, Provident maybe between 27% and 32%, Puravankara between 30% and 35% and Purva Land will be in excess of 35% EBITDA numbers.

**Shivang Joshi:**

Last one from my side on the debt piece, your debt numbers have been coming down well. From a strategy perspective wanted to understand, your foray into Mumbai or other western region, Mumbai and Pune, should be more asset like. Can you correct my understanding and if that is the case then any rationale behind keeping 800 crores cash and not prepaying something which is costing 11.5%?

**Abhishek Kapoor:**

I'll answer this question in two parts. One is as far as the model in the western region is concerned, it is a mix of redevelopment, joint development and outright. We always believe that there is a lot of margins to be made in an outright transaction as well. Of course, Mumbai as a market is hard to find enough outright transactions, so largely will be redevelopment and maybe JDA to some extent. Pune may be a lot more outright because there are opportunities available there. Having said that, coming to your cash balance question, I think what we are doing now is going in an aggressive investment path because if we have to continue our growth momentum

as we have said on the debt piece, we have said that we will keep it range bound somewhere between 2000-2200 crores in that range is what the net debt is what we are intending to keep it as. On a per square foot basis our target is to keep it if our average realization is between Rs. 8000 to Rs. 9000 our target is that we should keep our range, our debt per square feet of Rs. 1000 square feet or lesser. So, keeping those numbers in mind because if you want to do larger volumes and keep your debt, there is a natural course in which the debt is going to get repaid. So, one is use of capital is going to be, of course, is always an opportunity to return capital. We are in active conversation in some places to return some of the capital ahead of time and at the same time deployment of capital towards new investments which will add GDV and bottom line for us. And of course, there is some bit of liquidity that is always kept in the system for organization and size of our scale.

**Shivang Joshi:**

That answers most of my questions. This last thing since you mentioned 2000 to 2200 crore sustainable debt number, say two years from now when your commercial development is at advanced stage or complete what would be the total debt? I believe when you're saying 2000 to 2200 crores that includes your commercial debt.

**Abhishek Kapoor:**

As I said there are two contexts. Commercial is to be treated very differently. I'll explain myself a little bit. In commercial you're creating an asset. The moment you have leased out the asset on an LRD basis the asset gets completely 100% freed out even if you do an LRD depending on how much loan you have taken anywhere between four to six years' time frame. And so that debt is pretty much self-liquidating. The second category of debt is residential which is also self-liquidating is because if you see our debt pool right now and we publish now that data on how the debt is moving in each of the categories you'd realize that in its natural course a lot of debt is going to get repaid because these projects are self-repaying as we launch these projects. Right? So, in our mind all of the debt is pretty much self-repaying. The capital invested in commercial assets and the debt thereof which is repaid through LRD obviously the cost of capital is much lower and then your asset gets free over a period of time. And on the other side residential debt. So having said that I'll go back to my earlier conversation, and I'll say that our debt is going to remain range bound. That's the target which we are working towards, both on a cost plus basis and the goal is obviously to try and see how we can make sure that the volume goes up significantly, so it becomes irrelevant really to have this conversation on debt.

**Moderator:**

The next question is from the line of Ronald Siyoni from Sharekhan Limited.

**Ronald Siyoni:**

During this quarter we have seen good margins around 35% operating margin. So, it was just because of job sales mix because of Purva land getting more booked during the quarter or are there any one-off items in these margins?

**Abhishek Kapoor:**

See revenue recognition is a factor of the handing over possession and any real estate related transaction that we may have done. As far as presales happen presales have no impact on the revenue recognition. So therefore, these numbers are purely from the real estate activities that we have done.

**Ronald Siyoni:** Yes, so that's what I meant to say. So, more revenue booking was towards the Purva land projects?

**Abhishek Kapoor:** I will share that breakup offline. I think we've handed over a lot more in Puravankara and in Provident, but we'll share that offline with you.

**Ronald Siyoni:** And this kind of margins are sustainable going ahead also or the margins can vary to a larger extent going ahead for sale...

**Abhishek Kapoor:** Let me explain this in this context. Our margins are pretty much on target. It's more a matter of time on when you recognize the revenue and how the margin looks in a particular quarter. So, if you look at it over a period of time it will always average out with the kind of margins that we are working on. Because as you deliver these projects your presales convert into your revenues and therefore your margins start showing up on the books.

**Neeraj Gautam:** In addition to that I would like to add is as we are scaling up in all our front in terms of sales in terms of construction, so fixed cost which is there in the company will of course it will come down per square feet and as the scale goes up. So, to that extent the margin will improve.

**Ronald Siyoni:** And second question was that you are closely looking at to close deal in Pune. So, at what kind of level you are there in Pune to go ahead with some outright or JD acquisitions in Pune? When should we see Pune acquisitions start?

**Abhishek Kapoor:** Well, you will see acquisitions happening between this quarter next quarter and thereafter. So, we will start hearing some announcements happening in coming quarters including this quarter.

**Neeraj Gautam:** I just thought to add that we have received OC in one of our important projects in Pune. Just thought to update you. Of course, the acquisition plan Mr. Abhishek has mentioned about it. We have a project Purva Silversands, there we have received OC during the quarter and started giving the possession.

**Ronald Siyoni:** And my last question was on this various Provident and Puravankara and Purva Land. So, both in terms of the mix of the different segments and different geographies where you are seeing a better traction and where the segments which are lagging both segment wise and geography wise.

**Abhishek Kapoor:** Look of course our biggest volumes have come from Bangalore. But having said that currently our projects are active in all the markets which are Bangalore, Hyderabad, Chennai, Kochi Mumbai, Pune and Goa. Across all of these markets we are seeing traction. And one can safely say that we are not seeing any challenge. In fact, we are seeing increased momentum in our sustenance projects at increased prices because the projects are getting more and more visible towards completion. So, we are confident that the sales momentum from all of these regions are cutting across Purva Land. Provident and Puravankara will continue to be there.

**Moderator:** The next question is from the line of Deepak Purswani from SVAN Investments.

**Deepak Purswani:** Just wanted to understand our strategy on the western India. We mentioned we are looking out for the four projects in the Mumbai region and then there are some projects we are looking in the Pune market. So could you please throw some light in terms of the investment outlay we are highlighting over the next twelve months for these geographies. And also, if these things materialize what would be the GDV addition we would be looking at.

**Abhishek Kapoor:** So as far as an already acquired project is concerned, we have added a GDV of about 1500 crores with our first redevelopment project which we have acquired at Lokhandwala in the western suburbs of Mumbai. We are as I mentioned earlier in active engagement with multiple societies for redevelopment and of course multiple transactions which we are engaging in Pune market. Having said that I think your question was on the capital outlay. We are expecting over the next 9 to 18 months' time frame to deploy approximately 1,000 crores in the western region including all of these markets. This is in addition to what we have already deployed and the projects which are ongoing.

**Deepak Purswani:** So, from the cash outflow point of view if I were to think on an average, we would be requiring 1,500 crores kind of cash outflow for the construction and 1,000 odd crores would be this investment in the new project. And apart from this there would be a kind of debt repayment to the extent of 750 odd crores over the next twelve months. Would that be the correct understanding?

**Abhishek Kapoor:** Not really because we are also going to be making investment in southern part of India in all three brands which is Puravankara, Provident and Purva land. So obviously that also needs to be factored in when we are looking at the free cash flows from the business because a lot of free cash flows will get deployed instead of repaying debt towards these new acquisitions and then taking them towards launch. So, I must add that a bunch of cash is also going to go into, so we still have land bank which we are working on which is from within the company which also will get unlocked in the next year. So, there's obviously capital going in there as well. I missed out on mentioning it.

**Moderator:** As that was the last question, I would now like to hand the conference over to management for closing comments.

**Neeraj Gautam:** Thank you for joining us for today's call. I'm wishing you all of you happy Republic Day and me and my colleagues are available, if any further questions you have you can write to us. We'll respond to your questions. Thank you.

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