



हडको/लिस्ट.कम्प./एसई/2026

06 फरवरी, 2026

लिस्टिंग विभाग
बीएसई लिमिटेड
फ़िरोज़ जीजीभाय टावर्स
दलाल स्ट्रीट
मुंबई - 400001
स्क्रिप कोड: 540530

लिस्टिंग विभाग
नेशनल स्टॉक एक्सचेंज ऑफ इंडिया लिमिटेड
एक्सचेंज प्लाज़ा, प्लॉट नं. सी/1, जी ब्लॉक
बांद्रा-कुर्ली कॉम्प्लेक्स, बांद्रा (पूर्व)
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स्क्रिप कोड : हडको

विषय: 04 फरवरी, 2026 को आयोजित अर्निम्स कॉन्फ्रेंस कॉल का ट्रांसक्रिप्ट

महोदय/या,

सेबी (लिस्टिंग ऑब्लिगेशन्स एंड डिस्क्लोजर रिक्वायरमेंट्स) रेगुलेशन्स, 2015 के रेगुलेशन 30 के अनुसार, कृपया 4 फरवरी, 2026 को हुई अर्निम्स कॉन्फ्रेंस कॉल की अटैच्ड ट्रांसक्रिप्ट देखें।

यह कंपनी की वेबसाइट यानी www.hudco.org.in पर भी उपलब्ध होगी।

कृपया यह आपकी जानकारी के लिए है।

भवदीय
कृते हाउसिंग एंड अर्बन डेवलपमेंट कॉर्पोरेशन लिमिटेड

विकास गोयल
कंपनी सचिव और कंप्लायंस ऑफिसर

संलग्न: उपरोक्तानुसार



“Housing and Urban Development Corporation Limited

Q3 FY '26 Earnings Conference Call”

February 04, 2026



MANAGEMENT: **MR. SANJAY KULSHRESTHA – CHAIRMAN & MANAGING DIRECTOR – HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED**
MR. M. NAGARAJ – DIRECTOR CORPORATE PLANNING – HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
MR. DALJEET SINGH KHATRI – DIRECTOR, FINANCE – HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED
MR. ACHAL GUPTA – GENERAL MANAGER, FINANCE – HOUSING AND URBAN DEVELOPMENT CORPORATION LIMITED

MODERATOR: **MR. SANKET CHHEDA – DAM CAPITAL ADVISORS**

Moderator:

Good evening, ladies and gentlemen, and welcome to the Housing and Urban Development Corporation Limited Q3 FY '26 Earnings Conference Call hosted by DAM Capital Advisors. 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 this conference call, please signal an operator by pressing star then zero on your touchstone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanket Chheda from DAM Capital Advisors. Thank you, and over to you, sir.

Sanket Chheda:

Good afternoon to all of you. We have with us today the management team of HUDCO to discuss their Q3 results. So, from the management side, we have Mr. Sanjay Kulshrestha, who is the Chairman & Managing Director; Mr. M. Nagaraj, who is the Director, Corporate Planning; Mr. Daljeet Singh Khatri, who is Director Finance; and Mr. Achal Gupta, who is the General Manager of Finance.

Without further ado, I'll hand the call over to our MD sir for his opening remarks. We'll follow that up with question and answers. Over to you, sir.

Sanjay Kulshrestha:

Yes, Sanket, thank you. So, let me give the background of today's earnings call. As we proceed, whatever guidance we had already given to the market from last 2 years from time to time, we are adhering to those guidances. We are continuing to grow around 25% in our loan book.

At the same time, we are reducing our cost of funds and diversifying. By the time RBI has given us a mandate to become infrastructure finance company, we are extending and diversifying our asset base into the various segments. We are adding up a lot of new borrowers in our kitty.

We are working very extensively and aggressively towards the resolution of the NPA assets, and we have successfully resolved most of them. Quite a few are also there balance, and now our net NPA is just close to zero. It is around 0.06%.

Continually, we are working and making out efforts to supplement the efforts of the Government of India towards the Viksit Bharat and identifying our role and responsibility and supplementing the efforts through debt financing as well as the creation of the value across the value chain and working very closely with the urban local bodies.

Recently, you may be aware, we have launched a very big platform, you can say, in terms of urban invest window, which will become a one-stop solution for -- from creation of the projects to make it bankable, financial closures, inviting the investors, HUDCO loan and convergence from the Government of India scheme.

Government has also announced one big program to upgrade and enhance the capacity of the project implementation for ULB that is Urban Challenge Fund. So very shortly, we are hopeful that the policy will take its shape, which is under discussion from last 9 months. So many stakeholder discussions had already happened. Now the ULBs are on board and very soon, the guidelines will come.

At the same time, if you have seen the budget because if you see the last week, there are three, four important events that has done in the Indian economy, starting from the economic survey to the general budget and the Finance -- 16th Finance Commission. So, if you see the latent of all these conversations and the documents, everything is focused towards the sustainable urban, the bankable urban and the viable urban because we all believe that we have to create cities of the global standard.

We have to see that how the rural economy will work. And that's why if you have seen the Finance Commission has put in a lot of emphasis on the rural development, a lot of emphasis on the urban reforms, starting from the conservation of the resources like water, logistics, books, financials.

So, lot of emphasis has been given. And at the same time, lot of financial incentives have also been given. So, this is an era of urban development because we have to create that kind of urban bodies, which will look at the project as a bankable option.

And HUDCO as a premium institution, which is sector agnostic. So, we are very hopeful that it will further reinforce our business. It will ensure our business. And at the same time, we will see the bankable projects are coming up at the national landscape.

Thank you so much. Now we are ready for the question-and-answer. So anything, we are ready as a management to answer the questions.

Moderator:

We have our first question from the line Arul from KSEMA Wealth Private Limited.

Arul:

Sir, regarding this net loss on fair value changes, which is INR470 crores in the 9 months FY '26. So, I believe this is from the FCNR borrowing, right? So, what is the plan going forward? Because we have already reduced this FCNR outstanding significantly from INR15,000 crores to INR5,000 crores. So, are we going to completely come out of this? So, what will be the impact on the cost in that case? That's my first question.

Sanjay Kulshrestha:

Yes, you are right. You're right. It is the impact of the FCNR borrowing on which we had taken a lot of incentive in -- around first 6 months or 7 months. And then because of the currency fluctuation, things has gone out of the hedging limits. And this is, I think, the -- this may be the last quarter. Current quarter will be the last quarter. And now we have decided to not take the 1-year FCNR.

Arul:

Okay. So completely -- it will be zero in the -- going forward, right, future?

Sanjay Kulshrestha:

Yes, yes, it will be -- this will be the last quarter. And from next quarter, there will not be any impact. Yes.

Arul:

Clear, sir. And one more thing regarding this ECBs. I think it is 100% hedged, right, sir, external borrowings? So, there will not be any P&L impact on that.

Sanjay Kulshrestha:

Yes. Correct.

- Arul:** But the average cost, you have mentioned is around 6%. So, this 6% is including the hedging cost or hedging cost is not included in the 6%, sir?
- Sanjay Kulshrestha:** Yes, these are long-term loans on which we had taken a hedging and we have taken the protection level as high as whatever best is available for next 5 years -- 15 years. And on the historic values only, we had taken the protection level and these are hedged kind of resources.
- Arul:** Okay. So it included the hedging cost, sir, whatever the 6% you have given?
- Sanjay Kulshrestha:** Yes. Yes. It's included. These are Japanese currency loans. So that's why these are...
- Moderator:** We have the next question from the line of Sumeet Rohra from Smartsun Capital Pte Limited.
- Sumeet Rohra:** Now sir, I have a few questions. I'll just take -- I'll just take it step by step. So, sir, firstly, if I recall correctly, in this budget, the government has actually authorized more money to the states, which is to the tune of INR2 trillion, okay? Now this is actually a 33% increase in the allocation to states. Now sir, since we basically lend to states and we focus on infrastructure, is my understanding correct that this will be very, very positive for us? That's my first question, sir.
- My second question, sir, is basically that if I see your 9 months, the earlier participant did touch upon the FCNR issue. So, sir, if I just put the entire foreign exchange loss, what we have is for the 9 months, my understanding is that is it INR350 crores? So that means our PAT is actually at about INR2,400 crores versus INR1,900 crores in the 9 months preceding last year. So, effectively, it means that your growth in profit is actually equal to your growth in loan book. So, is our understanding correct on that front, sir?
- My third question, sir, is basically that if we have a spread of about 2% or ROEs are about 2% and we are targeting a INR3 lakh crores loan book, which is basically what you guided for in the past, which I think will happen much earlier than what you've said. So, my sense is by FY '29, you could get there. So that means, sir, is my understanding correct that our profits will be higher than the INR6,000 crores mark in the next couple of years, which today should be about INR3,000 crores. So, is that also understanding correct?
- And my last question to you, sir, is basically, can you please highlight what is the total amount of MOUs which we have signed today? And what is the conversion of the MOUs into basically sanctioning and then the duration from sanctioning to disbursement, sir?
- Sanjay Kulshrestha:** Yes. Thank you, Sumeet. I think -- very pertinent questions, I think. First, you had asked regarding the FCNR. The total loss on FCNR for 9 months is INR470 crores. So if you add this value of INR470 crores in our profits, it will be around INR2,500 crores against INR2,000-odd crores. So, there is a loss which is onetime, and this quarter will be the last for that. So, yes, you are right. Actually, it is not INR360 crores, it is INR470 crores.
- And second is, we are trying to achieve this INR3 lakh crores loan book, which we are trying by 2030 and a lot of efforts we are taking. And there are a lot of support from the government of India schemes, policies or legislations and capital infusion. So, a lot of clarity had come in the urban sector that definitely, there will be a push for creation of urban infrastructure. So, with 2%

of the spread, it's an arithmetic on INR3 lakhs, which will be double from INR1.5 lakh to INR3 lakhs. So, you are right, we will be something around that with 2% of the spread.

Total MOUs that we have signed around INR7 lakh crores to INR8 lakh crores, but of late, now we had made a slight change in our policy that first, we need to identify the project. And after identification only, we will be going for the MOU signing because we need -- we want to see that what is the preparedness of the states. Already INR7 lakh crores to INR8 lakh crores MOUs are signed and out of which we have a committed loan sanction pipeline of around INR2.5 lakh crores.

So, it is not like that everything is coming out of MOU. There are many other projects which are not a part of the MOU. But since we are working through our regional offices and understanding the need of the utilities and the states. So other than the MOU also, there are a lot of projects that we have sanctioned during the current year. And if you have seen, in the present year only, we have sanctioned around INR1.4 lakh crores. So, with a commitment sanction of around INR2.5 lakh crores, I'm very sure that we will be achieving the figures of INR3 lakh crores.

Sumeet Rohra: So, sir, I mean -- if I may ask you that this INR2.5 lakh crores, which is now sanctioned, so you should disburse this by when, sir? So normally, what's the timeline between sanctioning and disbursement?

Sanjay Kulshrestha: Generally, if I sanction project, so it takes 6 months to 1 year of the time to start the disbursement. Generally, 20% disbursement comes in the first year. And these projects have long gestation infrastructure projects, so it takes 3 to 4 years of the time. So, for INR2.5 lakh crores, you can say starting from the INR30,000 crores, INR40,000 crores in the last sanctioned projects, it will continue to rise from 30% and 40% and the balance one, then the last year will be around 20% to 25% total.

Sumeet Rohra: Understand. Understand. Okay. Great, sir. And sir, just on the first point, which I asked you about the state in this budget because today only, I was just on a call with one of the global analysts, and they highlighted this statistic very clearly that the money allocated to states is about 33% higher than the preceding year. So, I mean, will that actually help stimulate our growth as well?

Sanjay Kulshrestha: Yes. You are very right. These are the SASCI loans extended by the Government of India, and this initiative has been taken just 3 years back, and now it stands at INR2 lakh crores. Actually, these loans are long-term loans, 50 years loan. Earlier also, it was around INR1.5 lakh crores in the last financial year, which has raised to INR2 lakh crores because if you see government wants to push the reform.

These are all reform-based kind of incentives that the government of India is extending to the state government. And SASCI loan is one of that, which has a lot of strings attached, but I'm very happy that the states are complying to those strings and they are developing that kind of sustainable infrastructure. And I will just like to extend, in this finance commission also, there is a grant of INR56,000 crores for, say, water recycling, which will be extended to the ULBs for coming up with the water kind of projects.

But there is another grant for the performance or issuance of the bonds also that INR100 crores of -- on INR1,000 crores of the bond issuance will be given. So, all these things, which are supporting the cause of creation of the urban infrastructure, I think HUDCO will be the best beneficial institution out of all these initiatives because without borrowing, completion of the big infrastructure project is not possible. So, this will become a catalytic kind of agent. This will become a VGF kind of support. This will come as a viable -- to create a viable kind of project for the state.

Sumeet Rohra:

Got it. And sir -- and just one last thing. I mean, firstly, many congratulations to you and your team because you had guided for INR1,50,000 crores by FY '26, but you've crossed INR1,55,000 crores already. So, what's your guidance now, sir? I mean, now -- I mean, how are you looking at guidance for -- I mean, end of this quarter plus for next year? So, if you can just share your guidance then that will be wonderful, sir.

Sanjay Kulshrestha:

See, we had made an internal policy that we will divide the disbursement across the year, and the same principle we are following. For this financial year, our target is around INR50,000 crores of disbursement. And -- with this, you can calculate the kind of loan book and we are giving a result of around 25%. So, I think it's a simple arithmetic that you can do.

Moderator:

We have the next question from the line of Rati Pandit from Nirmal Bang.

Rati Pandit:

My first question is that you have given a guidance of INR50,000 crores disbursement this year. But for this year and next year, what will be a repayment trend like? And my second question is on the net interest margins. We have seen them falling to around 2.88% in 9 months of FY '26. So, is it because the growth has been back ended or there is some other reason? And what is our outlook ahead? And what are the factors which will drive the NIMs ahead? Yes. So, these 2 questions I'm having.

Sanjay Kulshrestha:

So, repayment is around INR5,000 crores that we are getting. So, around INR4,000 crores to INR5,000 crores every quarter. So, you can say around INR17,000 crores to INR18,000 crores per annum. This is our repayment. And regarding the NIMs, as you have asked, you are right that there are some disbursements which were backloaded. So, on a year-to-year basis, you will see that it will be around 3%, 3.1% kind of NIM that we will maintain, and there is no internal issue on that.

Rati Pandit:

Okay. And with respect to bank borrowings, what part of them are EBLR linked and MCLR linked?

Sanjay Kulshrestha:

All are from the banks. They are EBLR linked.

Daljeet Singh Khatri:

Rati, I'm Daljeet Singh Khatri, Director of Finance. As CMD sir has said, most of my bank borrowings are linked with external benchmark. Only the bonds, they are of fixed nature, but entire banking is of variable nature linked to repo rate or the T-bill.

Rati Pandit:

Okay. And on the asset side, what part of the assets are fixed and how many are on 1-year reset and the 3-year reset?

- Daljeet Singh Khatri:** I think, around 60% of my book is 1-year linked and 30% to 40% -- 30% is 3-year linked, and rest is fixed -- around 5% to 7% is fixed rate.
- Rati Pandit:** Okay. Okay. And my last question is on the NPA resolution. So, for the remaining lot of projects which we are having, which are under consortium and outside consortium, how does the resolution trajectory look like ahead?
- Daljeet Singh Khatri:** As CMD sir has said in the beginning that our total focus is on resolution of NPA assets, and we have resolved around INR500 crores in the previous financial year. And in this current financial year also, NPA is aggregating to around INR385 crores, we have already resolved. And now we are left with only INR1,600 crores of NPAs, gross NPAs out of which around INR800 crores is under liquidation through NCLT. So we'll be left with around another INR700 crores to INR800 crores, and we are hopeful that we'll be able to resolve most of them by the end of next financial year.
- Moderator:** We have the next question from the line of Devyam Joshi from 9To3 Capital.
- Devyam Joshi:** Congrats. I wanted to ask you that as we are pivoting towards financing infrastructure beyond housing, so you are entering a space crowded by aggressive commercial banks and other NBFCs, right? So, what yield differentials on this new infrastructure -- what is the yield differential in this new infrastructure loans?
- Sanjay Kulshrestha:** So, I think we have our own space of working, and that's why our loan book is continually increasing even though the competition is there. But I think the competition is good for the country. And I think every institution, if you are talking about the competition from the banks, we are working in some of the projects along with the banks also.
- There are some forte where only HUDCO can fund, and -- because of our reach and penetration across the states and the understanding of their policies, supporting the Government of India's projects in terms of, say, counterpart requirement under Amrit or Swachh Bharat.
- Generally, these kind of products didn't work well with the bankers. So, we have our niche kind of projects identified for HUDCO. Banks have their own. But apart from that, we are working with the banks and now we had came out with the financing of the private sector also, the PPP models, and we had identified 5 sectors where we generally will work with the bankers and other financial institutions, like real estate, road, port, airport and the energy transition.
- Other than that, for metro projects, we are converging with other financial institutions working in the same space of metro. So, it is not like that there is only the completion. It is the collaboration also. It is the specific area also where the HUDCO works.
- Devyam Joshi:** Okay. Okay. And one last question. What is the total value of loans under moratorium or restructured status that have not been classified as Stage 3 NPAs yet?
- Sanjay Kulshrestha:** No, these is no asset.
- Daljeet Singh Khatri:** I mean in the last 8 to 12 quarters, we have no addition of Stage 3 assets in our book.

- Devyam Joshi:** Okay. And in future, are we planning to add any?
- Daljeet Singh Khatri:** No, no, never. We didn't have a plan to add some Stage 3 assets.
- Sanjay Kulshrestha:** I don't think because of the strict monitoring being adopted by the company and from -- starting from the cash flows to security to the progress of the project, cost, quality. So extensive monitoring is being done. And if you see, the SMA-2 is also continuously reducing. And as we speak, all the SMA-2 has been resolved.
- Moderator:** We have the next follow-up question from the line of Sumeet Rohra from Smartsun Capital Pte Limited.
- Sumeet Rohra:** Just only one thing. So, effectively that this -- the fourth quarter will be the last quarter where we'll have some amount of forex impact or whatever. So, is my understanding correct that from next -- from April onwards, we will have no foreign currency impact at all?
- Sanjay Kulshrestha:** Yes, that's true. This will be the last quarter.
- Sumeet Rohra:** Okay. Fine, I just wanted to get that clarity.
- Moderator:** We have the next question from the line of Parth from DAM Capital Advisors.
- Parth:** Sir, just wanted to understand how is the ground level sense in terms of infrastructure pickup? And how are the state spends in terms of building the roads, metros, airports where HUDCO is seeing an enormous opportunity to grow?
- Sanjay Kulshrestha:** Right. Our Director Mr. Nagaraj will be answering this.
- Muniappa Nagaraj:** Yes. Very rightly, you asked that. Let me give you a small example of HUDCO's portfolio. To begin with the metro. So we're already planning to have a 2 metro -- already we have given a sanction under like Indore, Bhopal. And in addition to that, we are working with many number of metros in consultation with other like-minded parties.
- Then let me come to airport. In the state of Andhra Pradesh in Tier 2, Tier 3 cities, they are coming out with a big way in airports. We have funded four airports and also international level airport at Kangra, we are funding it. So, this is in the airport sector.
- When it comes to construction of water supply and sewage, like Godavari water supply scheme in Andhra Pradesh and also Jal Jeevan mission in 2 states, we have funded in a water supply. And one more very unique area, desalination of water in the state of Tamil Nadu nearby the coastal cities, we are doing it. Plus in the city of Chennai, transit-oriented development across 4 metro stations, which is a very unique project we have funded.
- Plus also like a tourism, we are into different sectors in different places. I didn't touch upon land acquisition for transport sector, number of projects we are funding it in the transport sector. Some of the highways I would like to give an example from Nagpur to the Goa, this is called Shaktipeeth Expressway, and many such projects we are in the funding, already funded plus also

in the pipeline. This is a small list of projects, which I've just narrated. There are huge scope of funding infra.

Sanjay Kulshrestha: Yes. Just to give a general perspective -- am I audible?

Parth: Yes, sir.

Sanjay Kulshrestha: So, just to give you a general perspective as Nagaraj sir has given you the specific projects. If you see the ecosystem in the country is like every state wants to develop. They don't want to miss the opportunity. All states have a very diversified resources available with them.

If AP has some geographical resource available with them from the coastal line to, say, solar radiations to trunk infrastructure of the national highways, then if you see the UP has land monetization, lot of new towns being developed.

So, every state is working to monetize their assets coming up with big infrastructure project. And if you see, all the states are coming with the theme of some investment plan, state investment plan or Swarnim Andhra Pradesh or Viksit Rajasthan. So, every state is coming with a road map of development. And that's why we are talking about Viksit Bharat.

And a lot of FDI is coming continually. Government of India is working on that. A lot of interest is coming. And now the aspirations of the public that they need as a right that there should be good road, there is good sewerage, there is good water, tap water, there is good energy that is clean -- green energy. So, all these kinds of aspirations are putting pressure on the system that they need this kind of infrastructure.

And our models starting from the BOT EPC, HAM, all these things are so matured that now we are trying HAM model even in the housing sector. So, I think it is an era of development and another 20, 22 years by 2047, lot of infusion will come, a lot of new infrastructure will come. And the way we are growing, the economy will grow on that part.

Parth: Got it, Sir, one more thing I just wanted to understand. Just -- sorry to double touch on this. You mentioned that transition losses would likely get over by Q4, more so because of your 1-year FCNR borrowings being, I mean, completely running down.

So, sir, all the ECB borrowings, which we still have, which you said you are hedged like for 15 years or so. So those are complete hedging? And how confident is it that from next year, we wouldn't have any specific translation losses or meaningful translation losses from here? Just some details here would be really helpful.

Sanjay Kulshrestha: Sure. Our Director of Finance will answer this.

Daljeet Singh Khatri: Yes., these ECBs aggregating to around INR10,000 crores, they are having a maturity of roughly 5 -- original maturity of 5, 5.5 years and they will be due for redemption after 3, 3.5 years. As coming to your question on hedging, we have hedged the entire ECB borrowings through the option structures with extended protection under the EKI options like European Knock-In or

knock-in/knock-out options are there, which provide additional safeguard over and above the forwards, which are shown in the Bloomberg based on the date of maturities.

So -- and in the near term, we see this kind of volatility, which we have seen in the last 1 year or so. But considering the period of 5 years or 10 years, there has been only an average depreciation of 3%, 3.5%. So, we are confident that these protection levels are sufficient to protect us from any kind of volatility over a period of 3 to 4 years.

Moderator: We have the next question from the line of Nemin Doshi from Fortress Group.

Nemin Doshi: Firstly, sir, if I look at our debt-to-equity, currently, it's at a range of 6 to 6.5. And looking at the growth, at what levels are we comfortable with debt-to-equity?

Daljeet Singh Khatri: Presently, my debt-to-equity ratio as at the end of December 31, 2025 is 7.28x, right? But we are in -- and we understand we are continuously monitoring it that this is going up. But as such, being NBFC, there is no upper cap on my debt-to-equity ratio, except that in case of external commercial borrowings, there is a cap of 10:1.

But we are already on the job, and we will -- shortly, we will be coming out with the instruments to improve our debt-to-equity ratio. Primarily, we are going to focus on coming out with the perpetual debt instruments, which qualify as Tier 1 capital. And then we'll think about other options which are available to us. And we plan to bring it back to less than 6 in the next 2, 3 months.

Sanjay Kulshrestha: So just to add, since there is a growing demand in the market, and we also want to grow. So, definitely, you are right, there is a pressure on debt-to-equity, but there are measures to attend. There are slightly costly measures. So that's why we had not yet decided. We will decide regarding that measure and the call will be taken at the right time.

And we are aware that it is around plus 7, and we have to be -- remain at around 7. But if you see -- you have to see on the yearly basis. So please wait till our results are out for the '25-'26. And you will see that the figures are slightly improved. And at the same time, we will take a call on improvement as Director of Finance has said, to review -- to revisit this through the perpetual loans or something else.

Nemin Doshi: Perfect. Got it. Secondly, sir, if I look at your overall loan book, your PMAY -- any updates on PMAY 2.0? And how are we focused on growing this housing pie and any talks or MOUs with the states on this front?

Daljeet Singh Khatri: So, PMAY 2.0, a little slow, it started up. I think gradually, we are picking up. Most of the states have started doing an assessment. This time, what they are planning is that a very structured way they are going it. They're making an assessment, then coming out scheme by scheme. So, a majority of the states in the Northern sector has already started up in a way. Maybe I think next financial year, it will pick up in a big way.

Nemin Doshi: Got it. And lastly, sir, what do you -- in your sense, what could be your potential competitor in this space because the kind of growth and the kind of contract that we are witnessing coming

from states, is there a thing that government would come up or there would be another organization who would -- there would be a duopoly or players coming up in this space?

Sanjay Kulshrestha:

See, there are already organizations and institutions starting from the banks to NaBFID, NABARD, to some extent, REC and PFC. So, I think institutions are already there working with the urban infrastructure segment. But if you see the demand is too much. We need the multilateral loans, we need the investors, we need the FDI.

So, if you see as per the high-level committee report, the urban investment to the tune of around INR80 lakh crores is required between '21 to '36. It amounts to around INR7 lakh crores to INR8 lakh crores on annual basis.

Presently, we are doing only INR2 crores, INR2.5 crores yearly. So, there is a long jump that we need to do. And all these institutions are geared up to support this. And that's why this Urban Challenge Fund or a lot of new activities like issuance of the bonds to attract the investors. All these activities have been started by the Government of India.

Nemin Doshi:

Got it, sir. Just a follow-up on this. What would be our right-to-win considering the competition, like we said, there is PFC. REC also coming up with the merger soon. So, I mean, just to understand our right-to-win in this space in urban infra development space?

Sanjay Kulshrestha:

So, REC PFC are a big organization, and they are primarily working towards the power and energy. And if you see the requirement in power, energy, distribution, transmission, renewable, energy transition, hydrogen, it is enormously high, enormously high. And these institutions are catering to that kind of demand. And at the same time, they are supplementing our efforts in some way. So, maybe 10%, 15% or 30%, whatever they can take, they are taking, but they are not taking 100%. The requirement is of 100%.

So, that's why I will start from my last answer only. That's where the NaBFID is required, NaBFID is created, NABARD is required, HUDCO is required, IIFCL is required. So I think all these institutions have their own roles and responsibility.

And since we are an institution of strategic importance working under MoHUA, who is actually taking care of the urban infrastructure, knowing the policies of the government of India from, say, Urban Challenge Fund or metro or water or waste or sewerage. So, all these things are the domain of HUDCO. So, their domain is energy, our domain is urban infrastructure.

Moderator:

Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for the closing comments.

Sanjay Kulshrestha:

Thank you so much. It was very good answering the questions from the fraternity. And we have taken note of the concerns, and we had answered and I'm sure that you will be satisfied with the answers. And if there is any follow-up information required and then Mr. Achal Gupta and his team will be there to support you.

We are open for all the market information from time to time. And I hope we will be meeting very soon. At the same time, whatever guidance we give to the market, we adhere to that guidance. So, we don't want that we will be overachieving or underachieving.

So whatever we have chance, we come out to the market in a very transparent and very clear terms, whether it is forex losses, whether it is cost of funds, whether it is loan book, whether it is different kind of infrastructure that we are doing or whatever works we are doing, and I think on a week-to-week basis, we have a very close kind of interactions through the media, through electronic media or through interviews.

So please stay connected with HUDCO. And I can assure you that the growth path that we are continuing, it will be continued for the year. And thank you so much for having interest in the HUDCO. Thank you so much.

Moderator:

Thank you very much. On behalf of DAM Capital Advisors, that concludes this conference. Thank you for joining with us today, and you may now disconnect your lines. Thank you very much, everyone.
