



# इंडियन रेलवे फाइनेंस कॉर्पोरेशन लिमिटेड

(भारत सरकार का उद्यम) (सीआईएन L65910DL1986GOI026363)

पंजीकृत कार्यालय: यूजी फ्लोर, ईस्ट टॉवर, एनबीसीसी प्लेस, भीष्म पितामह मार्ग, प्रगति विहार, लोधी रोड, नई दिल्ली - 110003

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## INDIAN RAILWAY FINANCE CORPORATION LTD.

(A Government of India Enterprise) (CIN: L65910DL1986GOI026363)

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No: IRFC/SE/2024-25/ 15

28<sup>th</sup> May 2024

<b>National Stock Exchange of India Limited</b> Listing department, Exchange Plaza, Bandra- Kurla Complex, Bandra (E) Mumbai- 400 051  <b>Scrip Symbol: IRFC</b>	<b>BSE Limited</b> Listing Dept / Dept of Corporate Services, PJ Towers, Dalal Street, Mumbai -400 001  <b>Scrip Code: 543257</b>
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### Sub: Transcripts of the Earnings Conference Call

Sir/ Madam,

Pursuant to Regulation 30 of SEBI(Listing Obligations and Disclosures Requirements) Regulations, 2015, as amended from time to time , please find the attached herewith transcript of earnings call held with analysts and investors on Friday, 24<sup>th</sup> May, 2024, to discuss the Audited financial results for Q4/FY 24 & Year Ended 31<sup>st</sup> March 2024.

This is submitted for your information and record.

Thanking You,  
**For Indian Railway Finance Corporation Limited**

VIJAY  
BABULAL  
SHIRODE  
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VIJAY BABULAL  
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**(Vijay Babulal Shirode)**  
**Company Secretary & Compliance Officer**

**Encl: As Above**



**INDIAN  
RAILWAY  
FINANCE  
CORPORATION**  
(A Government of India Enterprise)

**Future on Track**

“Indian Railway Finance Corporation (IRFC)  
Q4 FY '24 Earnings Conference Call”

May 24, 2024



**INDIAN  
RAILWAY  
FINANCE  
CORPORATION**  
(A Government of India Enterprise)

**Future on Track**



**MANAGEMENT:** **Ms. UMA RANADE – CHAIRMAN & MANAGING DIRECTOR (ADDL CHARGE), CHIEF EXECUTIVE OFFICER – INDIAN RAILWAY FINANCE CORPORATION (IRFC)**  
**Ms. SHELLY VERMA – DIRECTOR (FINANCE) – INDIAN RAILWAY FINANCE CORPORATION (IRFC)**  
**MR. SUNIL KUMAR GOEL – CHIEF FINANCIAL OFFICER – INDIAN RAILWAY FINANCE CORPORATION (IRFC)**

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

**Moderator:** Ladies and gentlemen, good day and welcome to IRFC's Q4 FY '24 Earnings Conference Call hosted by DAM Capital Advisors 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 this conference call, please signal an operator by pressing star then zero on your touchtone 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:** Yes. Hello and very good afternoon to all of you. We have with us entire senior management of IRFC to discuss their Q4 Earnings and this strategy from here on. From the management, we have Ms. Uma Ranade, who is CMD (Addl Charge), CEO; Ms. Shelly Verma, who is Director (Finance); and Mr. Sunil Kumar Goel, who is a CFO.

Without further ado, I'll hand the call over to Ms. Uma Ranade for her opening remarks. We will follow it up with Q&As. So over to you, ma'am.

**Uma Ranade:** Good afternoon, everyone. I welcome all of you to this conference call and I would also like to thank DAM Capital for organizing this call. Now, as you all know, we had declared our audited financial results for the financial year 2024 on the 20th of May and this call has been organized to share the company's performance for the year. We had already circulated our investor presentation. I'm sure you would have all received it by now and seen it.

As you are aware, IRFC plays a strategic role as the sole market borrowing arm of the Indian Railways. IRFC has been consistently supporting railways capex funding both for rolling stock and other infra projects with extra budgetary resources. As we all know, railways capex has been increasing over the years with a focus on infrastructure, capacity enhancement, decongestion of high-density networks, passenger experience, safety requirements of its network, etcetera. Achieving reduction in logistic costs in the country, enhancing safety of passengers, these remain the priority areas of the government.

Gross budgetary support has been kept at INR 252,000 crores for capital expenditure for railways in the interim budget of the financial year 2024-'25. Major part of the planned capex is directed towards implementation of major economic corridors namely for energy, mineral and cement, the energy, mineral and cement corridors, port connectivity and high-traffic density corridors. These railway corridor programs are being identified and will enable multi-modal connectivity.

While energy, mineral and cement corridors will help to reduce air pollution, pollution on the roads and ensure reduction in the cost of logistics, corridors for the port connectivity will provide seamless connectivity to the ports through the railways in a multi-modal approach. There is also corridors planned to reduce the burden on the high-density traffic routes. Overall, through these

corridors, about 40,000 kilometers of new track is likely to be laid over the next six to eight years, which will significantly increase the railway capacity and reiterate the railways' commitment towards sustained development by reducing carbon emissions.

These programs will also help to contribute to economic growth, accelerate GDP growth, reduce logistic costs for the nation, and improve passenger experience. There is also a plan to convert rail bogies to Vande Bharat standards. That is also being planned. There is also a plan to use part of the funding for modern Vande Bharat trains and deploying automated train safety technology across the Indian railway network. The capex funding of the Indian Railways is primarily funded by the budgetary support and extra budgetary sources which include IRFC borrowings.

From financial year '21-'22, budgetary support for the Indian Railways has increased tremendously and, correspondingly, extra budgetary resources have been scaled back. In the financial year 2024, there was no requirement for extra budgetary resources to the railways due to the high budgetary support and, thus, there was no funding done by IRFC.

Although in the interim budget for the financial year '25, there is no EBR requirement from IRFC. However, the final budget for '25 is yet to be placed in parliament and passed. IRFC mandate also covers financing for projects with backward and forward linkages with the railways. Accordingly, we are actively looking at funding such projects in the railway ecosystem apart from funding of the Indian Railways and exploring opportunities in collaboration with other infrastructure lenders.

Now I will request our Director (Finance) to take you through investor presentation and share the financial highlights for the financial year 2024 before we move on to the question-and-answer session. Over to you, Shelly.

**Shelly Verma:**

Thank you, ma'am. Good afternoon, everyone. I'll begin with a brief snapshot of the company. IRFC, as you know, is systemically important infrastructure finance company with major shareholding by Government of India through Ministry of Railways. The current security state by the government is 86.36%. IRFC is a dedicated financial for Indian Railways as we have mentioned, and entire financing to Indian Railways is through finance lease model both for rolling stock and infrastructure projects.

It's a low-risk cost plus model as all the costs incidental to borrowing, including hedging and currency risk and interest rate risks are passed through and we are getting a consistent margin over the years. Margin for rolling stock is 40 bps and it is 35 bps for projects. This margin is added to weighted average cost of funds raised during the year to work out lease tenders. Total lease period is 30 years.

For rolling stock, this lease period is split between primary lease period of 15 years and secondary lease period of another 15 years. And during primary lease period, we recover all our investments and only nominal rent is paid during the secondary lease period. For projects, the

rentals start after a moratorium period of five years and the primary lease period is 15 years, secondary lease period is 10 years.

IRFC has been giving consistent financial performance over the years. We have highest domestic credit rating of AAA by CRISIL, ICRA and CARE, and our international rating is at par with sovereign. Our assets under management as on the 31st March, '24 stands at INR4.64 lakh crores, and 98.94% of this AUM is for exposure to Indian Railways. And if you see the breakup of this AUM, 35.52% is called rolling stock lease receivables, 20.37% for project lease receivables, and 43.05% for advance against infra projects, for which we are yet to sign the lease agreement, and 1.06% is for our loan to RVNL.

Net worth of the company has grown to around INR49,178 crores as on the 31st March. Our revenue for the year is 26,644.56 crores as compared to INR23,721.42 crores in the previous year. During the year, we have signed lease agreements for projects funded in FY '17-'18 after the completion of moratorium period. Our profit for the year is INR6,412.10 crores as compared to restated profit of INR6,167.20 crores for previous year.

Our total borrowing as on the 31st March, '24 stands at INR412,032.10 crores. And in order to keep the borrowing cost competitive, we raise funds from various sources like taxable bonds, from domestic market, rupee term loans, ECB, 54EC bonds. If you see the borrowing mix as on the 31st March, after total borrowing, our bonds, including 54EC bonds, are at 48.02%, rupee term loans at 30.63% and ECB at 16.71% and borrowing from NSSF is 4.25%. And we maintain a very strong ALM by raising funds for long tenure, in line with the tenure of our assets. Weighted tenure of our assets is 8.6 years and weighted tenure of our liabilities is 7.4 years.

Our operating expenses are quite low, about 0.09% of total income, which is one of the lowest in the industry. Our gearing ratio as on the 31st March is 8.38 and capital adequacy is quite high due to our major exposure being to sovereign at 616%. Coming to our return ratio. Our return on equity for the year is 13.66%; return on assets, 1.31%; our net interest margin is at 1.38%; and earnings per share, INR4.91.

During the year, we have done restatement of lease receivables, amounting to about INR790.14 crores, which was basically due to short accounting of against capital recoveries in the terminal year for the lease agreements, which have completed their primary lease period. Out of this amount, INR620.28 crores has been restated in the receivables and net worth as on the 1st April, '22, and there's an impact about INR169.86 crores in the corresponding previous year that is FY '22-'23.

As our CMD has mentioned we are actively exploring funding for projects in the existing mandate like leasing a rolling stock other than MoR, funding of railway infrastructure being developed through State JV, upcoming dedicated freight lines, multi-modal logistics parks, non-conventional sources of energy including renewable energy for railway networks. We are in discussion with various other infra financials for core funding opportunities.

And internally also we have taken a lot of steps like formulation of board-approved credit policy to manage credit risk and ensure that the credit extended is in line with the company's risk appetite and the credit standard that we have been maintaining over the years. This will help IRFC maintain a healthy loan portfolio and minimize the businesses with setting up credit -- we have set up internal credit committees. We have onboarded certain agencies for financial appraisal, technical appraisal and also for the legal due diligence.

Our board has recommended final dividend of INR0.70 per equity share for FY '24 which is subject to approval of our shareholders in AGM. This is in addition to interim dividend of INR0.80 per equity share. The total dividend for FY '23-'24 is INR1.50 per share that is all from our side. Now we are open to questions from the participants.

**Moderator:** Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Kaustubh Datta individual investor. Please go ahead.

**Kaustubh Datta:** Excellent. Thank you. My question is regarding the extra budgetary resources and I am a recent investor and I am understanding it in this way that without that EBR the growth will be kind of restricted and I'm sure you would be -- you mentioned about linkages, forward and backward linkages with railway that is an option before you.

And I think you have adjusted your charter to that extent and you are permitted to do that. Earlier, it was kind of restricted. So is that all or you are thinking of other avenues to fund growth. You mentioned about INR50,000 crores as market borrowing plan for FY '25, but I'm trying to understand a bit more about this EB at the relationship of growth with EBR because I think this is directly linked. So how can you derisk yourself from that?

**Uma Ranade:** Well, to begin with the trends will continue in the next couple of years, because if we are talking about the Indian Railways then we have lent them a lot of money in the past. And right now, we are still executing the lease agreements with them with regard to the project assets. So for the next couple of years there should be no problem at all whatsoever even though the EBR component will reduce.

Secondly, right now, it has to also be understood that there is an on-account budget. There is a huge investment being made by the railway sector as a huge infrastructure push is being govern even by the Indian government and therefore we will have to wait until the budget is passed properly and right now as I said we are still in the interim budget stage. So let's see, the path will be clearer once the budget is passed.

The point is that, yes, since there is the extra budgetary resources are seeming to be coming down. We are looking at the forward and backward linkages and are actively in discussion and talks in trying to see where we can lend further. And in addition, we are using this interim period.

As I said, for the next two years, there should be absolutely no hiccups along the way. And we are using this time productively to make sure that we get further businesses and also strengthen our own internal mechanism so that we do a proper appraisal of the businesses that do come away or the opportunities that we do see -- the opportunities that we do want to take on. So that is the preparation and way forward.

**Kaustubh Datta:** So what, as per your initial estimate, would be the opportunity through the forward and backward linkages? And can you share some ballpark number?

**Uma Ranade:** Right now, we are still in the middle of -- we are still at a preparatory stage. So it would be difficult to share any kind of ballpark numbers, but the forward and backward linkages are many. There are several areas that we can look into. So that is right now ongoing.

**Kaustubh Datta:** All right. And you mentioned about the lease agreement, the two years, we are safe, but does that mean there would be some kind of growth as well, which -- those are incremental ones coming for FY '25 and '26?

**Uma Ranade:** No, no, that is exactly what we are working on, because we have a period of about two years to get that thing in place. As I said, for right now, our financials are very robust and will continue like this for the next two years. And this is the time and the opportunity for us to make sure that we diversify our businesses so that we can sustain it beyond that period as well, which is actively going on.

**Kaustubh Datta:** All right. Thanks. I'll get back to the queue. Thank you.

**Moderator:** Thank you. Next question is from the line of Prakriti Banka from HSBC. Please go ahead.

**Prakriti Banka:** Yes. Hi. Thank you. I just wanted to know what was your disbursement as of the end of this year?

**Moderator:** Prakriti, sorry, your voice is coming muffled. Can you speak for the handset?

**Prakriti Banka:** Yes. I just wanted to know what was the disbursement for the full year?

**Uma Ranade:** In previous, I mean, the year '23-'24, there was a miss disbursement because, as you know, the extra -- the funding was done entirely by budgetary support.

**Prakriti Banka:** Right. When you say that you have these leases, which you are yet to execute...

**Uma Ranade:** I'm sorry. That was not very clear. Can you just repeat?

**Prakriti Banka:** Sorry. Yes. So I said, when you say that you have these leases...

**Moderator:** Prakriti, sorry to interrupt you. Your voice is coming very much muffled.

- Prakriti Banka:** Just one moment, please. Yes. Is it any better?
- Uma Ranade:** Yes. It's better now.
- Prakriti Banka:** Yes. So I was saying that when you said that you have leases which are left to be executed going ahead, will this entail disbursement? I don't quite understand when you said that, for the next couple of years, we do not. Even if there is no EBR that is required, you won't really have trouble. So can you just explain that a little, please?
- Uma Ranade:** Yes. Basically, IRFC has a leasing financial model and what happens is when we lease out the rolling stock or whatever it is to the Indian Railways, there is a moratorium period before which Indian Railways starts paying us back. And since we've been lending enormous sums of money over the past so many years to the Indian Railways, some of those moratorium periods are coming to an end and we are signing those lease agreements now.
- So as I said, that inflow continues to be robust and will continue to come in and we are okay in this manner for the next two to three years at least. It is, therefore, imperative and that is the aim of this company that we use this period to build our own internal structures and mechanisms so that we can properly assess other business opportunities and go in for those business opportunities in a possible scenario where the lending to the Indian Railways may dry up. We are fully aware and seized of this and we are using this period to strengthen our own mechanism so that we can diversify in a safe and profitable manner.
- Prakriti Banka:** Understood. So basically, what you mean is that now you will start receiving -- or there will be a payback that is happening and you are now sort of looking for opportunities where you could be deploying this money.
- Uma Ranade:** Absolutely. At this point, we are looking to diversify and we are able to do that in a proper manner because we have the -- a period of two years in which to properly plan and to properly implement and to properly increase our own mechanisms so that we can do a proper -- so that we can -- business goes on, it's business as usual after the next couple of years.
- Prakriti Banka:** Right. In terms of -- I mean, if you are then looking to diversify into, say, other infrastructure areas that you did mention that you will probably tie up with other infrastructure finance companies, I mean have you sort of onboarded some kind of team already for that or is this still at the growing board?
- Uma Ranade:** No, we have brought a team in place, but it does have to be strengthened. And certainly, we are in talks with certain companies so that we can take this forward. And as I said, in any case, the company already has a charter that we can fund. We can fund entities with any backward or forward linkages with the Indian Railways. And there are several sectors over there, including other than the leasing of rolling stock to MoR, we can lease rolling stock to other people. We can fund railway infrastructure, which is being developed through state JVs.



Then there are all kinds of other multi-modal logistics parks that are coming up. Non-conventional sources of energy are there, including renewable energy for the rail network. So the business opportunities are diverse and large, especially in the background of a tremendous infrastructure trust by the Government of India, all which are being pursued by us.

**Prakriti Banka:** Right. But like you mentioned that the size of the opportunity is not something that you could outline right now, ballpark maybe?

**Uma Ranade:** No, I would not like to give a ballpark right now because we're using this time to get everything together. But as I said, we do have enough time and enough opportunity to make sure that our revenues continue to be robust.

**Prakriti Banka:** Right. And just in terms of when sort of -- you did mention you have two years to execute this. But when we can start seeing some sort of sanctions in these various opportunities? Do you have some sort of a timeline for that?

**Uma Ranade:** I think the timeline essentially is that we have to have something in place over the next two years. And going forward, probably within this year, we might be able to get some progress, but we will have to wait and see because, as I said, it is also contingent to a very large portion on the final budget being passed. Because at this point, as I said, it's still an interim budget. And the kind of infrastructure development that is going on in the railways and the kind of capex expenditure that is there, the capability of the Indian Railways to absorb capex is tremendous. So even at this point to rule out the possibility of lending to Indian Railways, we cannot rule that out at this point either.

**Prakriti Banka:** Sure. Just one last question for me. Just with respect to spreads, they've been quite stable now, but do you see any scope for them to move either way?

**Uma Ranade:** I'll just hand that over to D of Finance. If you can repeat the question, please?

**Prakriti Banka:** Right. So I'm seeing the spreads that you charge over your cost of funds. They've been quite stable for a few years now. Is there any possibility of this moving either way in the next year or so?

**Shelly Verma:** See, our spreads for the -- as I mentioned, for the rolling stock and projects have been consistent. So we don't see any -- one thing which we have to appreciate that apart from these spreads, our risk with respect to currency or interest rates are also passed on. In this background, I don't see any requirement of change in spreads. So this will continue. They are the same for the past four or five years. So I don't see any requirement of changing the spreads.

**Prakriti Banka:** Got it. Okay. Thank you very much.

**Moderator:** Thank you. Next question is from the line of Ritika Dua from Bandhan AMC. Please go ahead.

- Ritika Dua:** Yes, ma'am. Thank you for the opportunity. Just some follow-ups. So the previous question, like in how you alluded at the start that you have two years to firm up the plan on the future growth. When you say two years, are you largely referring to this because of the disbursements that you did in FY'20 and '21, which were quite healthy and which would now start? Are these two the years which will now start, the moratorium would be over, and that's how the -- you have two more years to plan, because the earnings from these would start flowing now more into the P&L? Is that the right understanding?
- Uma Ranade:** Yes. The understanding is that because of the moratorium period, the Indian Railways only starts the payments to us after five-year period. So in fact, the lending that we have done in '17-'18, that is now going to start and bear fruit. And therefore, when we see that the lending to the Indian Railways in the year '23-'24 had dried up, that effect will not be perceived immediately, because we've already got a lot of our investments in the pipeline, which are now going to start yielding fruit. And as you know, prior to '21-'22, we had extremely healthy lendings to the Indian Railways. So this -- as I said, that is the reason why we have this time to plan and make sure that we strategically broaden our financing portfolio.
- Ritika Dua:** Sure, ma'am. So just to follow up on this, ma'am, so when I actually just look at, like, just the annual numbers here, when I actually see the NII, the net interest income, for '22, '23, '24 were pretty much similar on an absolute basis. A very similar trend was seen in '18, '19, '20. So can we just assume that once '25-'26, and you are able to bear the fruit of the lending done from '17 onwards, would absolute, in the -- in '25, '26 show a considerable jump?
- Uma Ranade:** I do think...
- Ritika Dua:** The absolute NII growth, can it be very sharper? Or I mean, at least can it be -- at least, can there be a growth, because it's been pretty flattish in '22, '23, '24, now that you would, the moratorium is over?
- Uma Ranade:** Well, there may not be a very sharp jump, but certainly, there is not going to be any kind of sharp decline either. And to a very large extent, as I said, we are also exploring other opportunities, but I'll also ask my DF to add to this.
- Shelly Verma:** See, if you see the -- our accounting model, see, what happens when we are -- during the moratorium period, when we make a disbursement, we just take the margin in our bottom line. We directly take that, consider the margin. But when the -- and during this moratorium period, we keep on capitalizing the interest, which adds. That's the reason you must have seen that, although there has been no incremental disbursement during '23, '24, but there has been hardly any impact on my AUM.
- It has gone down only by 2,000 crores because we have capitalized our interest on the previous disbursement for a project asset for which the agreements are not yet signed and there is a capital

recovery which is coming. So it in a way balances off. So what we are saying till the time we sign all the agreements, there is a interest capitalization amount, which adds to my AUM.

**Ritika Dua:**

So actually, what will happen in the -- maybe after '24, your leasing would start converting into the advances. And so that's why I was just trying to understand would the NII accretion coming '25-'26, could we see a growth in the NII? Is what I'm trying to understand. On an absolute basis, this INR6,400 crores number roughly, which has been in a ballpark of INR6,200 crores to INR6,400 crores for the last three years in FY '25-'26 now that you would start booking them as advances. Would the NII see a growth? Or we can at best expect another INR6,400 crores ballpark kind of NII in '25-'26 basis, the...

**Sunil Kumar Goel:**

We are following a leasing model. We have two kind of assets. One is the rolling stock asset and another is the project asset. And in case of a project assets, we are executing the lease agreement after a moratorium period of around five years. And once the lease agreement gets signed, we are accounting these assets as per the Ind AS 116. And before signing up the agreement, we actually -- whatever disbursement happen to the railway -- Indian Railway will recognize income only for our margin portion. That is cost of lending and borrowing. And after execution of the lease agreement, we will account for the lease rental, which includes margin as well as my cost of lending. So after that -- after execution of the lease agreement, there will be a increase in the top line as well as in the finance cost. But the net accretion to the NNI would remain same.

As long as my AUM is not increasing, I think our net accretion would be at the same level, which I had in the '23-'24. I think over the next few years, as madam has explained, that we have -- approximately, as of now, we have a balance of around INR2 trillion funding for this project asset. And over the few years, we will be executing the lease agreement for these assets. Till the time we will execute the lease agreement, whatever debt servicing will do, that will be -- will add to my future years' AUM.

And whatever capital recovery I am getting against agreement, which I have already signed, so that will be a compensating kind of a thing and my AUM would be at the same level. Accordingly, net accretion to the NII would be to the extent only whatever fund I am redeploying into the business. That will be limited to that extent. I think I have...

**Ritika Dua:**

Thank you so much, sir. Very clear, sir. Thank you so much. If I could maybe just ask two more questions. One is that on the new, new ventures that ma'am was sharing at the start. So is the understanding correct that even the new ventures would be more aligned to the railway sector? So even if you're talking renewables, you're talking about renewables as a source only to be deployed in the railway sector. You're not talking about renewables in general. So that's one clarification I just wanted to check on.

**Uma Ranade:**

Yes. Actually, my current projects permits me only to fund projects which have a backward and forward linkage with railways. So, when we talk about these renewable projects, as of now, we

are talking only about projects which have a linkage with the railways. We are not talking about entire other renewable projects.

**Ritika Dua:** And ma'am, any views around that we discussing with the ministry to actually expand our scope of the funding in terms of maybe sign -- getting a new MoU signed or something like that? Can that be a possibility, looking at how the other PSU NBFCs have been expanding into other infra opportunities?

**Uma Ranade:** Yes. That would be one of the possibilities that we will be pursuing to expand our charter. But the point is that even -- that, as I said, we will be pursuing, but even without that, the forward and backward linkages with the railways itself throws up so much opportunity in the infrastructure sector. So I don't think there should be any really big issue on trying to even expand that further because we have a lot of opportunities within the backward and forward linkages itself.

**Ritika Dua:** Sure. And then just one last question, just linked to this one. So since you -- on the new ventures that you are alluding to, what we have seen earlier that your spreads have been pretty much stable and sort of maybe capped, if that is the right way to put it. But in the newer ventures, could there be a scope of actually doing it at a better spread or do you think that the spread would be the same?

**Uma Ranade:** For the new venture, it is not linked to the -- our funding to MoR. Those spreads will be purely dependent upon the credit profile of the project and the numbers that is shown on the -- based on the due diligence. There will not be any regulated framework or any linkage with the MoR funding. Those will be purely based on the industry standards.

**Ritika Dua:** So fair to say, could be higher actually.

**Uma Ranade:** It could be higher. Yes, definitely, it could be higher.

**Ritika Dua:** But ma'am, any ballpark there that like what are really like when you are evaluating today, what are the spreads when -- if you look to maybe to...

**Uma Ranade:** I think it will be too premature to give any spreads at this stage unless we have started funding the project and we can give you the numbers on the process to give the numbers on the project.

**Ritika Dua:** Thank you, ma'am. Thank you. so much. Thank you. Those are my questions.

**Moderator:** Next follow up question is from line of Kaustubh Datta, Individual Investor. Please go ahead.

**Kaustubh Datta:** Just with a quick question around your INR50,000 crores borrowing for FY '25, can you talk a bit about that please? Because you're saying you're not having extra budgetary resource requirement, but still you're borrowing. Can you explain that a bit more please?

- Uma Ranade:** See, as we mentioned that this is only based on the interim budget and final budget is yet to be approved. So based on our internal assessment, we have taken this approval from Board for INR50,000 crores. We'll take care of any disbursement which may come up during the year, my committed liabilities and we are also exploring lot of refinancing opportunities. So whatever funds would be required for refinancing, this borrowing will be used for the refinancing as well.
- Kaustubh Datta:** Got it. Got it. Thanks.
- Moderator:** Thank you very much. Participants, as there are no further questions, I now hand the conference over to the management for closing comments.
- Uma Ranade:** Thank you so much. We want to thank all the participants for attending this call. We hope that we were able to answer your queries. But still if you need some more information or details or data points, you can always get in touch with our Investors cell and any of us. And we'll be more than happy to answer your queries. Thank you so much.
- Moderator:** Thank you very much. On behalf of DAM Capital Advisors that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.