Brookfield IndiaReal

11 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 earnings call for Brookfield India Real Estate Trust. Brookfield India Real Estate Trust released its financial results for the quarter ended June 30, 2026. Brookfield India Real Estate Trust has placed the financial results, earnings presentation, and the investor section on its website at www.brookfieldindiareit.in. Please note that the management may make certain remarks during this conference call that could be considered forward-looking statements. Actual results may differ from these statements, and Brookfield India Real Estate Trust does not guarantee such outcomes nor undertake any obligation to update them. Any financial guidance or pro forma information shared today represents management's estimate based on specific assumptions and has not been audited, reviewed, or independently verified. We caution you against placing undue reliance on this information, as there can be no assurance of achieving the results discussed. As a reminder, all participant lines will be in 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 star and then zero on your touchtone phone. On the call, we have the following people: Mr. Ankur Gupta, non-executive director; Mr. Shashank Jain, CEO and Managing Director; Mr. Ajit Kothari, non-executive director; Mr. Saket Gupta, Head of Finance of Brookprop Management Services Private Limited; and Mr. Shailendra Sabnani from Brookfield. I now hand the conference over to the management for the opening remarks. Thank you, and over to you, team.

Shashank Jain – MD & CEO: Thank you. Good morning, everyone. This is Shashank Jain here. A very warm welcome to Brookfield India Real Estate Trust's Q1 FY27 earnings call. Thanks to all our unit holders, analysts, and participants for joining us today for this call.

Let me begin with a brief update on the macroeconomic and office market environment. India's economy continues to demonstrate resilience despite a volatile global backdrop. India's deep talent pool, competitive cost, digital ecosystem, and policy stability continue to reinforce its position as a preferred destination for multinational companies and Global Capability Centers. The India office market has carried its strong momentum into 2026. Industry data indicates that office absorption has reached a record 45+ million square feet in the first half of calendar 2026, which is an increase of approximately 10% year-on-year. GCCs accounted for roughly 20 million square feet, which is approximately 43% of total leasing. Green-certified buildings accounted for almost 73% of the leasing activity during the quarter, implying that the demand is increasingly focused on high-quality, sustainable, and institutionally managed campuses.

This market backdrop is directly aligned with the positioning of Brookfield India REIT. As of June 30, 2026, our portfolio comprises 32.6 million square feet across key gateway cities, with committed occupancy of around 93%, in-place rent of 104 rupees per square foot per month, and a long-dated WALE of 6.7 years. Our pan-India presence, high-quality tenant roster, focus on sustainability, and concentration in established office micro-markets position us well to capture continued demand from GCCs and other global occupiers.

Let me now take you through our leasing and occupancy performance for the quarter. During the first quarter of fiscal 27, we completed 1.1 million square feet of gross leasing, comprising roughly 700,000 square feet of new leasing and almost 400,000 square feet of renewal. The average rent on gross leasing was 100 rupees per square foot per month, and the weighted average lease term was 9.8 years. The re-leasing spread achieved was about 14%.

Leasing demand remains broad-based across product categories, spanning SEZ processing area, non-processing area, and IT and commercial spaces. GCC occupiers accounted for almost 39% of gross leasing during the quarter, supported by expansion demand from existing tenants such as Honeywell and KPMG Global Services. Tech services tenants also demonstrated strong commitment to our portfolio, contributing 63% of our quarterly renewals with a healthy renewal tenure of approximately 11 years.

Despite more than 1 million square feet of expiries during the quarter, we maintained portfolio committed occupancy of 93%, which is 4 percentage points higher year-on-year. We continue to proactively address future expiries. During the quarter, we secured an early renewal of approximately 565,000 square feet with Bharti Airtel at the Airtel Centre, representing around 80% of the campus's gross leasable area. The renewal was completed approximately 2 years ahead of expiry for a 9-year lease term and a 5-year lock-in on the majority of the renewed area. Including the commitment secured previously, we now have de-risked approximately 1.3 million square feet of our future expiries across the remaining 9 months of fiscal 27 as well as the full year of fiscal 28.

This proactive approach provides greater cash flow visibility, reinforces the strength of our tenant relationships, and also reflects the tenant stickiness in the portfolio. Our expiry profile also remains well staggered, with only 8% of gross rentals due for expiry during the remaining 9 months of financial year 27 and approximately 23% cumulatively through financial year 30.

Let me also talk about the acquisition that we announced during the quarter. We signed a binding agreement to acquire 264,000 square feet of front-office property comprising 3 contiguous floors in Godrej BKC, a landmark Grade A building located in the central business district of Mumbai. The proposed acquisition is being undertaken in a 50-50 partnership with NCW Prime Offices Fund, a part of Nuvama Group. The asset is leased to front-office blue-chip tenants with high occupancy, an almost 6.9-year WALE, and 82% of the leased area under lock-in. The acquisition price is {? rupees 7,900 crores ?} on a 100% basis, implying a 4% discount to GAV and a cap rate of 7.4% based on FY28 estimates, and an almost 8.1% cap rate based on FY30 estimates.

In terms of our further growth opportunity, we have a robust sponsor group pipeline. A couple of high-quality assets approaching stabilization in the sponsor group portfolio are Waterstones Campus, a 9-acre mixed-use campus in Mumbai's airport business district. It has 1.4 million square feet of office GLA, 48 ultra-premium serviced residences, and a 3-acre exclusive members-only club. The second one is in Pune, Bluegrass Business Park, with 2 million square feet of GLA in Pune, with Tower 1 fully leased and Tower 2 under construction and 50% pre-leased.

In addition to inorganic opportunities, the portfolio has meaningfully embedded organic growth potential of approximately 15%, which excludes contracted rent growth and mark-to-market gains.

Moving on to our focus on ESG and sustainability, sustainability remains deeply embedded in our operating philosophy. We are very pleased to share that during the quarter, Worldmark New Delhi achieved the IGBC Green Existing Building Platinum rating. Our campuses at N1 and N2 received EDGE Advanced Certification, and Worldmark Gurgaon and Pavilion Mall received EDGE Certification from the International Finance Corporation.

With that, I will hand it over to Saket to take you through the financial performance for the quarter. Saket.

Saket Gupta – Head of Finance: Thank you, Shashank, and good morning, everyone. Let me now take you through the financial highlights for Q1 FY27. Operating receipts for the quarter were 7.14 billion rupees, representing growth of 56% year-on-year, supported by contributions from Ecoworld and same-store growth across the portfolio. Net operating income was 7.57 billion rupees, reflecting growth of 51.7% year-on-year. Same-store NOI increased by approximately 8%, driven primarily by the lease-up of vacant area, mark-to-market gains, and contractual rent escalation.

For Q1 FY27, we declared a distribution of 5.6 rupees per unit. Total distribution for the quarter stood at 4.6 billion rupees. Our balance sheet remains robust and well positioned to support future growth in a disciplined manner. As of June 30, 2026, our LTV, excluding shareholder instruments, stood at 25.9%. On a pro forma basis, after the proposed acquisition in BKC, we have dry powder of approximately 43 billion rupees under a 35% LTV threshold to support future growth opportunities.

We continue to maintain dual AAA stable credit ratings from CRISIL and ICRA. Our average interest rate remains at 7.3%, supported by a long-dated debt maturity profile and limited near-term amortization. With that, I would now request the moderator to open the floor for questions.

Operator: Thank you, Saket. Ladies and gentlemen, we will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Our first question comes from the line of Karan Khanna with Ambit Capital. Please go ahead.

Karan Khanna – Ambit Capital: Hi. Thanks for taking my questions. My first question to you, Shashank, given this is your first earnings call as the CEO. You are taking over a platform that has built significant scale, strong occupancy, and a sizable development and acquisition pipeline. Given your background across real estate, private equity, and M&A, what are the 2 or 3 strategic priorities you want to put your stamp on over the next 12 to 14 months? In particular, do you see the next phase of BIRET's growth being driven more by organic portfolio optimization and development or by accelerated acquisitions and expanding the platform?

Shashank Jain – MD & CEO: Thank you, Karan, and thank you for asking this question. It is a privilege and an honor for me to be taking over this position. This is a platform that we are all so proud of, as an institutionally managed, 100% institutionally managed platform. I think we are at a point in time at which we are well poised for growth, and we have opportunities virtually across the portfolio.

As I mentioned, we have a very robust sponsor pipeline that we will continue to look for and participate in the process as and when that comes up. We would also be open to looking at acquisitions outside the sponsor portfolio as and when there is an opportunity. We will continue to remain a disciplined investor.

As far as the existing portfolio is concerned, you are right. We are looking at optimizing our portfolio both in terms of our tenant profiles and occupancy, as well as any potential development opportunities within the portfolio that we have. All in all, yes, we would be looking at a portfolio of growth from various potential available opportunities, both organically and inorganically.

Karan Khanna – Ambit Capital: And then secondly, Shashank, if you look at GCCs, they remain a major structural driver for the office market, but they accounted for 39% of Q1 leasing versus roughly 50% in Q4 FY26, while technology services accounted for 63% of the Q1 renewals. From your conversations with occupiers, are you seeing the next leg of demand broadening meaningfully beyond traditional technology and GCC users? Looking 3 to 5 years out, how are you thinking about AI-driven productivity gains affecting the quantum of office space companies ultimately need?

Shashank Jain – MD & CEO: Good question, Karan. Thank you. Based on our conversations with our tenant partners and the broader ecosystem in the industry, I think there are 2 or 3 elements that come in.

First, we continue to see an influx of robust demand from GCCs. There could be a few basis points here and there on a quarter-on-quarter basis, but the long-term story of India being a very attractive talent pool and therefore attracting a lot of multinationals to set up their capability centers remains intact, and we do want to continue to partner with them in their growth journey. That is one point.

As far as broader tech services are concerned, as you mentioned, more than 60% of renewals were from tech services. Tech services companies continued with their renewals. Based on our conversations, there are a couple of things. First, in the near-term to short-term, or mid-term, we do not see AI impacting our clients' or tenants' decision...

Management: ...on occupancy as such. Like any other technology evolution, we expect all the companies to evolve themselves and, in fact, use India increasingly as the AI talent hub. With that backdrop, we do not really see, in the short-to-medium term, any immediate or significant impact of AI disrupting our growth plans or our tenants' growth plans in a material way.

Karan Khanna – Ambit Capital: Sure. Lastly, on the Godrej BKC acquisition, the direct share at 50% is about 8.5 billion rupees. What is the expected DPU accretion for BIRET owing to the acquisition of the 3 floors at Godrej BKC?

Management: For the Godrej BKC acquisition, our assessment is that it is going to be a DPU-accretive acquisition. The DPU yield is expected to be about 7.1%, which is healthier than that at our portfolio level. Going forward, over the next 12 months, or the next full year as you said, we see this to be an overall DPU-accretive transaction or acquisition for us.

Karan Khanna – Ambit Capital: Great. That is all from my side. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. Our next question comes from the line of Vidit Sheth with Axis Capital. Please go ahead.

Vidit Sheth – Axis Capital: Thanks for the opportunity. I have a few questions from my side. Firstly, on the cash balance that we have, I know some of this would be utilized to pay for the Godrej BKC acquisition, but how are we going to utilize the balance? Are there any plans for debt retirement, or would you still hold on to it considering that there are a couple of sponsor acquisition opportunities which are becoming due? What is the strategy on that?

Management: We will continue to evaluate the optimal use of the cash that we have, and it is going to be a combination of any potential short-term strategy of debt repayment across various SPVs that we are in the process of evaluating. At the same time, as and when we get clarity on the timelines that the sponsors would look at in terms of initiating the process, we will balance out the utilization of cash based on these 2 strategies.

Vidit Sheth – Axis Capital: If you can guide us on the near term, how should we think about it? Holding cash would obviously not help our DPU growth in that sense. Paying off debt would enhance the yield potential. How should we look at that?

Management: Yes, definitely, we would be looking at paying down some debt in the near term. As I mentioned, we are in the process of evaluating which line of credit to look at across various SPVs. As I said, that would also depend on some guidance and clarification that we get from the sponsor group on the timelines when they expect to launch the process for some of the sponsor assets that we have mentioned.

Pending that, as I said, we are in the process of evaluating on a short-term basis which line of credit should be prepaid, as we speak.

Vidit Sheth – Axis Capital: Got it. That is helpful.

Management: I will just come in here. Good morning, everybody. From the sponsor's side, there is a very large portfolio of the highest-quality assets in the country that we have. While in the near term, yield protection or yield enhancement can happen with a decrease or slight decrease in debt levels, I would say that these opportunities in India, on a total-return basis, are in the mid-to-high teens, just like the Godrej BKC acquisition that we have just announced.

On a total-return basis, given our NAV is 325 or thereabouts, there is significant headroom to increase the size of the portfolio while keeping leverage levels below 35% on a portfolio basis. This has been our systematic strategy: we like to be one-third to two-thirds on a debt-to-equity basis. The fact that we have demonstrated an ability to raise capital from the market for attractive transactions also supports this approach.

I would say that the guidance from our side is growth rather than simply having lower debt levels from this point onwards. Two transactions were highlighted besides the Godrej BKC transaction that we are just completing: the lease-up in Andheri, an exceptional development, as well as a CBD asset that we have developed in Pune and continue to stabilize. Again, those are 2 examples. There are several assets of that nature.

As Shashank mentioned, there are also excellent opportunities across non-sponsor assets. I would say that the guidance I can provide from our perspective is total return, which includes NAV enhancement, distribution growth, and yield enhancement. Thank you.

Operator: Thank you. Our next question comes from the line of Yashas Gulganshi with BOB Capital Market Limited. Please go ahead.

Yashas Gulganshi – BOB Capital Market Limited: Good morning, team. Thank you for taking my questions. When do you expect to conclude the acquisition of the Godrej BKC asset? Since cap rates have been calculated on the NOI of FY28 and FY29, is it fair to assume that the rents from the new properties are likely to start flowing in sometime in FY28?

Management: We are looking at closing the transaction sometime by the end of next month. As you mentioned, it is a significantly leased asset, and we expect it to be 100% leased up by closing. You are right, the rent should start on a 100% basis in the next fiscal year.

Yashas Gulganshi – BOB Capital Market Limited: Now, with 90% of your outstanding debt representing floating-rate debt, and given the volatile macro environment, what are your thoughts on how interest expenses are likely to evolve over the near future? Are you also considering any measures to control the volatility in interest expense?

Management: Our debt is almost 90% floating, but the bulk of it is linked to repo rates. Any volatility in repo rates is what will cause any movement in interest expenses. In fact, if you think about it, our interest rates range anywhere from sub-7% rates to mid-7% rates today, averaging over 7.3%.

We do not expect there to be unusual volatility in these rates unless the Central Bank moves the repo rate. At the same time, we continue to evaluate fixed-rate structures. We did a bond issuance not too long ago. The idea would be that as we think of the next phase of growth and the next acquisition, and as we relever the REIT, fixed-rate bonds will continue to be a significant source of consideration for us to finance future growth from this point onwards.

Yashas Gulganshi – BOB Capital Market Limited: That is fair. Lastly, the leasing spreads have been trending downwards, at least since Q1 FY24, even as a larger volume of space is being leased. What is happening, and how do you think spreads are likely to trend over the long term?

Management: If you see our history, generally the leasing spreads that we have managed to achieve over the last 3 fiscals have been in the range of 15-20%. On average, about 10% of our area churns every year. About 50-60% of that area is renewed, while 30-40% churns out and we get new tenants in.

I think it will look very similar as we go along. We will continue to have that 15-20% increase on 10% of the area, resulting in an additional 1 or 2 percentage points of growth every year on a steady-state basis. We do not expect the forward projection for this to be any different from what we have seen in the last 3 fiscals.

Yashas Gulganshi – BOB Capital Market Limited: Thank you very much. Have a nice day.

Management: Thank you.

Operator: Thank you. Our next question comes from the line of Kunal with Bank of America. Please go ahead.

Kunal – Bank of America: Great, thank you. I have a couple of questions. Given that the 60% renewal you have highlighted has happened on the IT services side, do you see any difference in the commercial attractiveness of renewal deals with IT services compared with GCCs? I wonder if there is a difference in terms of either the mark-to-market uplift you can get, the tenure that they sign for, or the expansion potential that they indicate.

Management: We continue to evaluate each transaction based on the micro-market and our campuses. When it comes to GCCs or tech services, I think the approach is no different. We approach all our clients with the same commercial bent of mind, considering various factors: their existing presence, concentration, potential to expand in the same campus or the same micro-market, the prevailing rates in the micro-market, and the mark-to-market potential.

If you look at some of the large renewals that we have had, such as Accenture, it has been a healthy commitment that we have received from them.

Kunal – Bank of America: Specifically on MTM conversion, do you think that there is any difference, or does the overall approach you are highlighting take care of it?

Management: Kunal, I will give an example. We actually covered it last quarter, but I will use it to guide this conversation. One of the largest tech services companies took up expansion space with us in Noida, almost tripling its footprint. The way it came about was through its own manpower planning, with a decent 10-year term and a 5-year lock-in.

To answer your question very specifically, we managed to get a 25% mark-to-market on that transaction. I think the outcome is fairly market-driven, even when we are talking to tech services companies in many of these take-ups. Of course, renewals can be slightly different from new take-ups, but the outcome that we are seeing is a market trend, given that vacancy in many of these markets is now in the single digits, certainly in the ones in which we operate.

Anybody who wants to be present there has to pay the market rate, and that has been the trend in the past few examples that we have seen.

Kunal – Bank of America: Got it.

Management: To add to Akshant's point, in many ways we have seen tech companies waking up a little and putting out their messages even more clearly, certainly being on the front foot regarding what changes in the AI-based economy, or the promise of AI in terms of efficiency, mean for these companies.

We expect these companies to actually be a little more forward-thinking. Four years ago, the question used to be whether IT companies would continue to support rentals or whether they would have too much bargaining power. I think that equilibrium has now been reached, where a significant majority of new leases are being considered by a wide variety of companies.

The other aspect is that IT companies will be more nimble. They will have to scale up, or they are scaling up, in their delivery models, which means higher-quality talent and higher-quality spaces. In addition, the line between services delivery and headquarters is blurring. GCCs are a perfect example. They are global delivery centers; they are no longer outsourcing offices.

As a result of all of that, you will find that higher-quality spaces, better-quality landlords, better locations, and better connectivity will be important. Rentals, or whatever the implied rentals are, are going to be only one factor. We have the best-quality portfolio, and that augurs very well for our type of real estate ownership.

Kunal – Bank of America: This is very clear. Thanks. My second question goes back to the 3 aspects that you look at in terms of driving returns as you look to deploy the remaining dry powder on the balance sheet. Given that overall market trends have moved up and interest rates have done what they have, how do you think your forward return expectations from M&A that you might have in the pipeline will differ from what you have done in the last 2 to 3 years?

Management: On the M&A side, as has been the trend, the majority of M&A will be focused on built assets. In our experience, India is a supply-side problem, not a demand-side problem. If we can continue to acquire high-quality assets on a total-return basis, these assets will continue to outperform the market. This means that whether we show 15% or more in total returns, if we buy the highest-quality assets and manage them very well, they will outperform anything else.

Shashank: Beating the market cost of capital consistently through performance is what we are set out to do. I do not think that our current pipeline and our future projections should look very different. In fact, we have outperformed in virtually every acquisition that we have done in the past. I think that with occupancy levels now in the 90s, the assets that we have bought will perform even better.

So, Kunal, if I can answer your question, I think that if we are doing something good, then repeating that and doing it slightly better is the way to succeed.

Kunal – Bank of America: Understood. Just one more nuance on that. Do you set a minimum return hurdle for yourself in that sense?

Shashank: Absolutely, we do. The minimum return is beating our cost of capital, which you help us with, to be honest, as well as adding value. In all the acquisitions, we have tried to better that in terms of being better than the cost of capital. On a return basis, we have created value on an NAV basis as well as on a DPU basis.

I think these are simple benchmarks that we try to follow as guide rails. As I said, it is not a complicated business. We are not splitting atoms here. If we can get the basics right, and repeat them and do them slightly better every year, we will do very well overall.

Kunal – Bank of America: Perfect. Thank you so much.

Operator: Thank you. Our next question comes from the line of Nilesh Doshi with Prospero Tree AMC. Please go ahead.

Nilesh Doshi – Prospero Tree AMC: Thanks for the opportunity. Distribution is one of the criteria for remaining invested in any REIT. I would like to know at what rate our distribution is likely to increase in the coming years, as our lease agreements mostly contain a 5% increment every year or 15% at the end of 3 years. In addition, all new lease agreements are generally executed at a higher rate than the expiring rate. Every year, we are increasing the economic occupancy. I think our distribution must increase by more than 5%. Is my understanding correct? Please share your view.

Shashank: Thank you, Nilesh. As we have given in our guidance, we are looking at, to be specific, 15% embedded growth in our DPU from the current portfolio as and when it stabilizes. We are at about 93% occupancy, and we have given guidance of 96–97% for some of the assets that we have or have acquired once they are fully leased and the lease-ups happen.

We are looking at approximately 15% growth, give or take, and depending on the sensitivity, it will take about 2 years on an as-is basis. To answer your question, yes, that will be more than a 5% increase.

If you look at the same quarter last year, we distributed 5.25 rupees. We are distributing 5.60 rupees now. That is 7% growth over the same quarter in the last 12 months. That should be the trend. If your income grows at 5–6%, we should be able to drive DPU by 7–8% in addition to the yield.

Nilesh Doshi – Prospero Tree AMC: When we say the total return is around 14–15% and our current yield is around 6%, does that mean 9% comes from capital appreciation?

Shashank: When we say 15–16%, that is for the asset-level returns under the REIT. What reflects in the stock price is also a function of the market and the broader interest-rate regime.

Broadly speaking, if a product starts at a 6.5–7% yield on an equity basis and has 5–6% top-line growth, with leverage that should translate to about 7–8% bottom-line growth. If you add 7–8% to a 7% yield, you would arrive at a 14–15% return. I do not know if that answers your question.

Nilesh Doshi – Prospero Tree AMC: Yes, mostly. My last question is: what is the economic occupancy? You mentioned that 93% is the committed occupancy, but there is a difference between committed and rent-generating occupancy. What is our actual rent-generating occupancy?

Shashank: Typically, you will see a delta of 3–4%. Our rent-generating occupancy should be about 89–90%.

Management: We are at 88–89%.

Shashank: We are at 89% as of last year, while rent-generating occupancy is about 89–90%.

Nilesh Doshi – Prospero Tree AMC: Fine. Thank you. That is all from my side. Thank you very much.

Operator: Thank you. The next question comes from the line of Rigved Mogarikar with NeoWealth. Please go ahead.

Rigved Mogarikar – NeoWealth: I have 2 questions from my side. First, what is your dividend mix in the entire distribution going forward? Among the dividend component, what would be the rough split of dividends coming from the old and new regimes? What would be the impact considering the recent changes that we are anticipating?

Second, I have generally seen that Brookfield is doing a joint venture-type investment, whether it was the earlier {? Dadi ?} portfolio or the current investment. Why are we going for a joint venture-type investment when other REITs are generally trying to acquire the entire asset? I wanted to understand the thought process.

Shashank: Rigved, your question has 3 parts. Let me take all the parts one by one.

Our current dividend distribution percentage is about 17% out of the total DPU. With some of the corporate actions we are looking at at a few SPV levels, and looking at the capital structure on an overall basis, we expect that to increase to, I would say, the early 20s.

The second part of your question is the impact of tax legislation around some of the tax benefits that have come in. Again, this has 2 or 3 elements, and we are currently in the process of working out the exact impact.

One is obviously the historical tax credit write-backs. The other is a switch. As you know, we were in the old regime, ranging from 29% to 34-35%, which in the new regime will be 28% plus. The third component is no MAT liability going forward.

As we speak, we are in the process of working out the exact impact. We will come back to the broader group in due course once we have worked out the mathematics around it.

The third element you asked about was the joint venture approach. As a REIT and buyer of these assets, I can tell you that we participated in a formal process that the sellers embarked upon. For example, for Godrej BKC, we were among the top shortlisted bidders, and so was Nuvama, with whom we decided to partner because we were in approximately the same range.

That also demonstrates our willingness and ability to partner with the broader ecosystem in the market, whether it is Nuvama or other such players. We do believe in the benefits of strategic relationships with well-established channels and coverage platforms such as Nuvama, and we will continue to be disciplined investors where we can maximize returns for our investors.

Management: On the tax front, I will add that, by virtue of the fact that we have traditionally pursued larger real estate assets and larger campuses, most of them are in the range of 2.5 to 4 million square feet. This means that our revenue in each of these SPVs is more than 200 crores.

The old tax regime versus the new tax regime results in an 8-percentage-point saving on the tax itself. This is a significant flow-through directly to the SPVs that will distribute it. It will also improve the dividends and PAT as a result.

Overall, I think it is going to be positive. We will quantify and understand this in a little more detail. Perhaps next quarter you will have full disclosure from us regarding what it means specifically for our REIT, in addition to the points Shashank mentioned about no MAT liability going forward.

Rigved Mogarikar – NeoWealth: I have a follow-up on this. If I were to break up the total GAV of BIRET into the old and new tax regimes, how much would this split be, roughly?

Management: Everything today is under the old tax regime. Everything will move into the new tax regime if the mathematics makes sense.

Rigved Mogarikar – NeoWealth: Got it. Thank you.

Operator: Thank you. Our next question comes from the line of Anuj Upadhyay with Investec Capital Services India Private Limited. Please go ahead.

Anuj Upadhyay – Investec Capital Services India Private Limited: Hi, thanks for the opportunity. I wanted to check on the occupancy side. Our portfolio stands at a very strong 93%. To get a sense of how exactly we plan to move from here, especially with the G1 and G2 portfolio, where we still have scope to scale up occupancy, considering the fact that G1 has close to 2.5 to 3 lakh square feet of leased area set to expire over the next 1 or 2 years, how are things placed there?

Shashank: Before I answer this specific question, Anuj, I do want to clarify the previous question. While we are talking about the change in the tax regime and how it benefits us, there is a caveat that, as we understand it, it has not yet been legislated. It is going through the legislative process for various approvals.

I wanted to point out that the exact impact for us will be understood and quantified subject to the final rules that are approved and come into effect. I wanted to clarify that so there is no confusion.

Coming to your specific question, there are a couple of assets, specifically G1 and G2, which have relatively lower occupancy. If you see directionally how G1 has scaled up, we have crossed 90% and are almost at about 91% occupancy.

I think we are benefiting from 2 elements. First, there are not many assets in the micro-market with such a large campus format that are easily available, and hence we continue to attract customers and tenants there. Second, we continue to see a fair amount of expansion requests coming in from our existing tenants in both these parks.

We plan to leverage that and ensure that occupancy inches closer to the portfolio averages over the next 3-4 quarters. That should help us bring the average occupancy further up.

Anuj Upadhyay – Investec Capital Services India Private Limited: Would this largely be driven by existing players within the same premises, or do we also have some new players coming in, such as Global Home in the current quarter, Q1? Are we seeing traction from other players as well?

Shashank: A significant portion of demand is being generated through expansion strategies from our existing tenants, but we do have a fair amount of pipeline from potentially new clients and new tenants. While the larger tilt is toward existing tenants looking for expansion, the new-tenant pipeline is also fairly healthy for us.

To give you an example, a few quarters ago we signed up a large domestic automobile company to consolidate from 4 properties into G2. That was a requirement of about 250,000 square feet, with some expansion options attached to it.

We expect similar demand to come from other quarters going forward because, as it stands, the asset sits in a 30 million square feet micro-market. This means there is 10 times more space outside the premises than inside. There can be many occupiers who may look to consolidate and benefit from having a single building, which is available only in an asset like ours today.

Anuj Upadhyay – Investec Capital Services India Private Limited: Thanks. That is all.

Operator: Thank you. The next question comes from the line of Hitesh with Axis Capital. Please go ahead. Hitesh, you may proceed with the question.

Hitesh – Axis Capital: Thanks for the opportunity. I have a couple of follow-up questions. Firstly, a couple of clarifications on the {? NDDS ?}. This quarter, we had a sharp jump in distribution to the Reco entity. I just wanted to understand the reason for that. Is it something that would be a new normal or a one-off for this quarter?

In terms of FCF cash utilization, I think last quarter we mentioned that we had 55-60 crores of cash that was still pending to be utilized and that we would utilize it. Has that amount remained unchanged, or has there been some increase? Would that be largely utilized this year? Those are my 2 questions on the NDSC side.

Management: I will take the second question first. Last quarter, we talked about surplus cash in the range of 55-60 crores. We utilized some portion of it during this particular quarter, and the remaining balance is about 35-40 crores.

I also wanted to mention that when we do a new acquisition, we sometimes get a new line of surplus cash as well as an opening balance. This is a moving factor that we have to consider as we do more acquisitions.

On your first question, what changed between the last quarter and this quarter is that we have a new partner with the 361. It is that partner's share of distribution that is captured in the line item you have seen. It is not that Reco has increased substantially; there is simply one more partner receiving its share of distribution from the subsidiary.

Hitesh – Axis Capital: Yes, you are right. Perfect. On Ecoworld Campus 3, is there any update on whether we are going for refurbishment or redevelopment? I think August is when the tenant leaves. I wanted an update on that.

Management: As we speak, discussions are underway with the tenant regarding timelines for vacating the premises. Based on those timelines, we will also work out our plan of action for the building. We will come back to the group once we have full clarity on it.

Hitesh – Axis Capital: All right, fair enough. Those were my questions. Thank you, and all the best.

Management: Thank you.

Operator: Thank you. Our next question comes from the line of Garv Goyal with Kotak Securities. Please go ahead.

Garv Goyal – Kotak Securities: Good afternoon, team. My question is regarding growth. While we see a lot of inorganic growth happening in the REIT through sponsor asset acquisitions, for most of the other REITs we also see a large part of growth coming through development potential.

In this REIT, as we all know, a large part of the development potential lies in the Kolkata asset. What is the outlook on Kolkata as a micro-market, given all the changes that are happening? How are rentals and the overall market looking on that front? Do we plan to start constructing assets along those lines?

Management: I will take it in 2 parts. First, as you know, part of the development potential in Kolkata is our project called Dexto. That is about 0.6 million square feet, and I think it should go live in the next 2 to 3 quarters.

We will soon be starting to market that particular project or asset in Kolkata, which is on the same premises or an adjoining piece of land.

As far as the broader potential in Kolkata is concerned, we are closely watching the situation as it unfolds. There is a general optimism that the industry has shown us based on our various conversations. We do expect things to become clearer on the ground in the next few quarters, but we are closely watching the sentiment as it develops, and based on that we will decide the next course of action.

Garv Goyal – Kotak Securities: Understood. Another question regarding the Godrej asset that you are acquiring: generally in Mumbai, most agreements are signed for 5 years. I see the WALE at around 6.9 years. What could be the rationale behind this?

Management: Many of the tenants who took space chose the longer route and paid full stamp duty, including names such as State Bank, Brookfield, and Lloyd's Bank. Given the nature of the fit-outs they undertake, these tenants want to remain invested, do not want to reinvest in their fit-outs, and generally prefer to secure a longer tenure.

That is why in spaces such as BKC, you would see more leases than licenses.

Garv Goyal – Kotak Securities: Understood. Thanks. That is all from my end.

Operator: Thank you. Ladies and gentlemen, if you wish to ask a question, please press star and one. Our next question comes from the line of Dheeraj Dabwe with Sobhagya Financial Services. Please go ahead.

Dheeraj Dabwe – Sobhagya Financial Services: Can you hear me?

Operator: Yes, we can hear you.

Dheeraj Dabwe – Sobhagya Financial Services: My question is basically this: if we look at all the REITs that have been listed, this is currently the best context in which we see no issue on the demand side. People are saying REIT rentalization is happening at a higher quality and at a higher premium to the market, and that information has also been shared.

In our case, can you tell us what the uptick has been on MTM expirations? I am not just talking about the MTM itself, but whether we received any premium compared with the benchmark price in the last quarter or the last year.

Management: Is your question whether we are getting mark-to-market spreads on our...

Dheeraj Dabwe – Sobhagya Financial Services: I am asking whether we are getting a premium over mark-to-market. Let us say a lease is expiring at 100 and the mark-to-market is 120. Are we able to renew at 130, which would be a 10-rupee premium to the market price?

Management: To be honest, wherever you lease is the market. There is no concept of a premium to the market in the way we see it. What you can do is outperform your last target and then call it the new market rent. I do not think the market stays at 120 if you lease at 130. The moment you lease at 130, everything moves to 130.

I think that is probably the right way to look at it. More factually, we have consistently achieved a 15–20% uptick on expiry rent as we have renewed spaces over the course of the last year, including as recently as the last quarter. We have continued to achieve that.

There is, of course, a little bit of difference between the various markets. In Kolkata, we have seen rent go from 40 to almost the mid-60s over the course of the last 2 years, and we continue to see that trend in many of our renewal conversations. In markets such as Mumbai, we have seen 8% year-over-year growth. We may not have seen as much in Gurgaon, but Noida continues to be very close to inflation.

It is a mixed bag, but on average, the benefit of having 32 million square feet is that it works like a diversified portfolio, and we continue to receive an almost 15–20% spread on the overall average.

Dheeraj Dabwe – Sobhagya Financial Services: I appreciate that. The second part is: why are we not able to achieve the all-time-high distribution? I understand that we had a distribution of around 6.5 rupees to 5.6 rupees when we got listed. There was some cash flow available, but it has now been almost 5 years since we were listed, and we are still not able to reach that level.

As a layperson, I am saying that we undertook acquisitions and other initiatives, and all these REITs are attractive, but I still find that my distribution, which was 6.5 at its highest, is still 5.60 rupees today. What needs to go right, and when should we expect a distribution uptick? I appreciate all the growth aspects and that we will get the benefit, but I also want to see inorganic and organic growth. Why are we not able to capture that growth?

If I compare with peers, I see a significant improvement in their distributions, even though they are also acquiring assets and growing. Is it because of the market in which we are operating, or how would you explain that?

Management {? Ankur ?}: I would say 2 things. A lot of research is published in which peer comparisons are made. It is therefore a little inappropriate for us to compare ourselves with peers. I would say that our distribution has increased, all the...

Dheeraj Dabwe – Sobhagya Financial Services: I am sorry, but if you look at your historical distribution, you have not reached your all-time high. That is my simple question. Why, as a REIT, are you not able to reach what was previously given? I understand that at that time you had some cash flow and were not paying on some differential basis, and that affected you. I understand that part.

My point is: when will we see the distribution reach its all-time high? That is my limited point.

Management {? Ankur ?}: If you let me answer the questions, then I think we can move to the next question. Moderator, we can move to the next question.

Operator: Sure, thank you. Our next question comes from the line of Nilesh Doshi with Prospero Tree AMC. Please go ahead.

Nilesh Doshi – Prospero Tree AMC: Thanks for the follow-up. Do we have any property in a location where the local authority has permitted a higher FSI, so that we can increase our leasable area by spending some money on construction costs?

Management: It is a fair question. FAR and FSI rules in India are becoming more modern. More markets are allowing greater density. To be slightly technical, even when FAR is allowed, the coverage rules may mean that you cannot consume it unless you break the building. Some buildings have long-term leases.

We go through a portfolio optimization exercise every quarter and every year to ensure that we are able to achieve the best financial outcome in terms of creating more area or utilizing the existing area better.

Our large estates ultimately allow for those kinds of opportunities to come to us, but those opportunities will be sporadic. We are 94% leased, so it is not always easy for us to create densification in our existing parks. Across the board, however, we have opportunities, just as there was a question around Campus 3 in Ecoworld. There is a clear opportunity where one tenant leaves and we can densify the site.

Similarly, in some of our large assets in Gurgaon, there are opportunities for us to increase FAR, and we do so in a thoughtful and methodical manner. It is a great observation.

Nilesh Doshi – Prospero Tree AMC: One last question, if I may. Where is the traction higher? Mumbai is, I think, the costliest real estate market, so among the other locations, where is the higher possibility of an uptick?

Management: Land is expensive across the country. India is a country with the highest population density among the top 10 economies in the world. Compared with the US, we are 12 times denser, and compared with China, we are 3 times denser.

India is therefore a land-constrained country. Certainly, our cities have become megacities, with populations of more than 20 million. Across Mumbai, Bangalore, Delhi, and even Kolkata, there is pressure on land, and we look for opportunities everywhere.

Nilesh Doshi – Prospero Tree AMC: Thank you.

Operator: Thank you. Our next question comes from the line of Janvi Shah with Share India Securities. Please go ahead.

Janvi Shah – Share India Securities: Hello. Thank you for letting me ask the questions. I know that you just gave clarifications on the old and new tax regimes, but on that note, I wanted to know how many of our SPVs are currently in a tax holiday, because that will determine when we move toward the new regime. Could you provide some clarity on that?

Management: As we explained, one of the basic points is the taxability of DPU in the hands of the unit holder. In contrast, all our SPVs were under the old regime.

From that perspective, what we are saying is that if DPU is going to become tax-free, all of them will move to the new regime. It is a lift-and-shift from the old regime to the new regime for all the SPVs. Another significant factor is that there will be no MAT, and that will also apply to all the SPVs.

As we said in the previous answers, this is a significant announcement for REITs as a whole. We are conducting due diligence to determine the precise number, but we are going to move to the new regime for all the SPVs.

Janvi Shah – Share India Securities: I completely understand that moving to the new regime will be more beneficial for everyone. I just wanted to understand that, for SPVs that are currently under a tax holiday, we only have to pay MAT and not the actual tax liability. That would be much lower than the actual tax, so moving to the new regime for them would not make sense.

Management: Could you repeat the question?

Operator: Our next question comes from the line of Puneet with HSBC. Please go ahead.

Puneet – HSBC: Thank you for the opportunity. My first question is about your thought process in acquiring a strata asset here: 3 floors, how long-term maintenance will happen for this kind of asset, and why you are doing it jointly with Nuvama. Lastly, on the NOI side, you talk about 1,250 million as potential NOI. If you could provide some breakdown of that, it would be very helpful.

Ankur: This is Ankur. I would love to host you here, since you have not been to our office. That would bring this asset to the forefront of your mind and allow us to demonstrate the quality of the asset, its location, and so on.

This really is a building within a building. We have a separate lobby entrance and a large floor plate of more than 2.5 lakh square feet. On a value basis, this is more than a million-square-foot average of most markets in the country.

Our rentals are 4 times the average portfolio rentals. Think about it in the context of a million-square-foot average asset in the best location in Mumbai and the best market in the country. If you contextualize it that way, it will probably answer the question.

Regarding maintenance of the building, we have a space that is part of the building condominium, and the building is also occupied by the highest-quality tenants. We have been here for the last 5 years as Brookfield, both as an owner of this asset and as an occupier.

It is a fantastic asset and the best in the country. As Shashank mentioned earlier, in the bidding process, Brookfield and our partner emerged neck and neck, and it was only fair that both partners come to an agreement and acquire it jointly.

Puneet – HSBC: There is no doubt about the quality of the building, but 5-6 years down the line, should one consider any potential risk of disputes regarding maintenance? Is there a separate contract that you have with the other existing owners that insulates you from the types of risks we see in some other strata-sold buildings?

Ankur: Compared with regular strata-sold buildings, this is highly institutionally owned between us and the owner-occupiers on the other side. I do not think that is a risk. There is always a risk in anything that we do, but it is very well managed here.

Management: I will add that the building has been in existence for 12 years and has performed at the same level. You must have seen the asset in the past as a very active and thriving F&B and retail destination downstairs. It has continued to command the best tenants in all of BKC and the best rents in all of BKC.

All of this has been under a condominium structure where, as Ankur said, there are 4 institutional owners: a large pharmaceutical company, another domestic fund or developer, a large family office, and Brookfield. They are very like-minded people, and decisions typically happen very commercially in societies such as these that are established in a CBD.

We do not see the challenge that you are referring to, and at least we do not foresee it in the near future. The other aspect of having ownership or a stake like this is that there can be potential opportunities to grow in the building and consolidate within the building, given that there are 4 owners.

Having access to capital such as the capital our REIT has access to would put us in a good position as we think about growing in the building and consolidating additional space as well.

Puneet – HSBC: Understood, that is helpful. On your NOI expectation for FY28, which is 1,250 million, this is different from what the valuers have given. Can you help us understand the gap?

Management: This is basically the gross NOI number from the valuation reports that we have discussed. The 1,250 number is the gross NOI number from the valuation reports for both offices.

Puneet – HSBC: Great. That is all from my side. Thank you very much.

Operator: Thank you very much. Ladies and gentlemen, that was the last question for today. I now hand the conference over to the management for the closing remarks. Thank you, and over to you, team.

Ankur: Thank you, everyone, for taking the time to participate in this call. We look forward to staying in touch with you and continuing our interactions. We much appreciate your time today. Thank you very much, and have a good day.

Operator: Thank you very much. Ladies and gentlemen, on behalf of Brookfield India Real Estate Trust, that concludes today's conference. Thank you for joining us, and you may now disconnect your line.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.