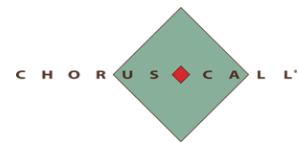




“Brookfield India Real Estate Trust

Q1 FY '26 Earnings Conference Call”

August 04, 2025



MANAGEMENT:

**MR. ALOK AGGARWAL – CHIEF EXECUTIVE OFFICER AND
MANAGING DIRECTOR – BROOKPROP MANAGEMENT SERVICES
PRIVATE LIMITED**

**MR. AMIT JAIN – CHIEF FINANCIAL OFFICER, BROOKPROP
MANAGEMENT SERVICES PRIVATE LIMITED**

**MR. RACHIT KOTHARI – NON-EXECUTIVE DIRECTOR – BROOKPROP
MANAGEMENT SERVICES PRIVATE LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Brookfield India Real Estate Trust Q1 FY '26 Earnings Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone.

On this call, we have with us today Mr. Alok Aggarwal, CEO and MD; Mr. Rachit Kothari, Non-Executive Director; Mr. Amit Jain, CFO of Brookprop Management Services Private Limited; Mr. Shailendra Sabhnani from Brookfield. I now hand the conference over to the management for opening comments. Over to you.

Alok Aggarwal:

Good afternoon, everyone. This is Alok. On behalf of Brookfield India Real Estate Trust, I extend a warm welcome to all participants joining us for today's Q1 financial year 2026 earnings call. Let me begin by sharing some insights on India's macroeconomic environment and its continued relevance to the office real estate sector.

India's economic outlook remains strong, and India is projected to remain one of the fastest-growing large economies, reaffirming its dominance in the global economic landscape. Stabilizing inflationary trends have enabled Reserve Bank of India to cut the repo rates thrice in 2025, a total of 100 bps reduction, and this would help boost liquidity for the business.

The Indian office market witnessed record-breaking leasing performance in 2024 and is poised for sustained momentum in 2025 as well, cementing India's reputation as an office to the world. As per industry reports, office leasing momentum remains healthy with gross absorption exceeding 40 million square feet in H1 CY 2025. And on a yearly basis, we expect this to cross 90 million square feet.

Here, it's heartening to note that from last 2 years, we have been crossing all-time high leasing year-on-year. Space taken up by GCCs played a key role in strengthening office adoption with GCCs contributing a share of over 1/3 in the overall office space leasing in H1 of calendar year 2025, followed by BFSI and tech companies.

India's abundant skilled talent pool continues to attract MNCs seeking to establish or expand their GCCs. This, coupled with a combination of stable inflation, improving interest rate outlook, and sustained corporate growth augurs well for increased demand for space take-up in 2025, '26 and later years as well.

Brookfield India REIT remains well positioned to capitalize on this demand with high-quality future-ready campuses in top gateway cities.

Turning to Brookfield India REIT. I'm delighted to report a good last quarter. We achieved gross leasing of 650k square feet in Q1 FY 2026, of which 61% was with GCCs.

The re-leasing spread stood at 22%, one of the highest in recent quarters. It is interesting to note that of the total leasing that happened in this quarter, over 78%, that is over 5 lakh square feet gross leasing, was across our SEZ properties. This included SEZ space as well as NPA space.

Post SEZ reforms in December 2023, we have achieved gross leasing of about 4.6 million square feet across our portfolio. This leasing was spread across SEZ, IT commercial and NPA areas, with former two taking roughly 40% share each and NPA areas contributing over 20+%.

It's interesting to note that GCCs contributed 40% of this total gross leasing during this 18-month period, which is roughly over 1.8 million square feet, showing continued demand from GCCs. There's a strong demand revival in our SEZ portfolio with occupancies growing by over 11% in the past 18 months. SEZ properties, K1 and Downtown Powai, SEZ are already at over 95% occupancy and G1 and N2 are at mid-80s and moving towards 90% occupancies.

We continue to have a strong pipeline across our SEZ properties, and we expect occupancies to improve across all our SEZ properties in quarters to come.

At portfolio level, when we look at our occupancy track record for past 6 quarters, we have been able to consistently increase our occupancy quarter-on-quarter. With over 9% occupancy growth in past 6 quarters, our committed occupancy for the REIT portfolio today stands at 89%.

Our Board has approved a preferential issue of INR1,000 crores at an issue price of INR310 per unit to new investors. Of course, this is subject to unitholders' approval. This would help create capacity to pursue future growth opportunities. We are in conversation with our sponsor group to evaluate acquisition opportunities in Bangalore and Chennai.

On the ESG front, we continue to make significant strides towards our net zero carbon goals by 2040 or sooner. Currently, 44% of the total energy requirement at our Delhi/NCR campuses is sourced from renewable energy, and we are on track to achieve 100% green power across all our campuses by 2027. We have also achieved 44% reduction in carbon emissions against the 50% target by 2030. On the resource utilization side, we have reduced water consumption by 27% and achieved 58% recycling of water across our portfolio. In combination of our efforts on the ESG front, we received many accolades and awards. Some of them are EDGE, which is Excellence in Design for Greater Efficiencies, certification by IFC, which is part of World Bank Group, in recognition of achieving over 20% savings in energy, water and embodied energy in Downtown Powai. G1, G2, N1, N2 and K1 have successfully been recertified under the ISO 50001 Energy Management System Standard, reaffirming their continued commitment to energy efficiency and sustainable operation practices.

We also received CII Kaizen Awards for the best sustainability practice for Downtown Powai, both SEZ and IT commercial assets and Airtel Centre, demonstrating our strong focus on ESG initiatives. Looking ahead, we expect leasing momentum to remain strong in the rest of the year. With high-quality future-ready campuses offering both SEZ, NPA and IT/Commercial space, we are well positioned to attract a diverse tenant base and accelerate our journey towards high occupancy and growth.

Let me invite Amit to take you through the financial updates.

Amit Jain:

Thank you, Alok. Good afternoon, everyone. We continue to grow organically. With sequential occupancy improvement, contractual escalations as well as the spreads achieved on re-leasing and renewals, our operating lease rentals have grown to INR458 crores in Q1 FY 2026, 9%

higher Y-o-Y compared to INR420 crores in the same period last year. The NOI for Q1 FY 2026 is at INR499 crores, 13% higher Y-o-Y compared to INR440 crores in the same period last year.

On the distribution front, we are distributing INR5.25 per unit this quarter, translating to a total distribution of INR319 crores. This is an increase of 17% Y-o-Y compared to Q1 FY 2025.

Our REIT is well positioned to benefit from the reducing interest rate environment, backed by robust credit rating and predominantly repo-linked borrowings.

As you are aware, RBI has reduced repo rate consecutively for 3 times in calendar year 2025, reducing the benchmark interest by 100 basis points. Our portfolio has approx. 88% of loans linked to repo rate, and this interest rate cut shall translate to savings and hence, increased distributions for us.

We have already achieved 35 bps rate reduction in our portfolio in Q1 FY 2026 and the remaining 55 bps rate reduction shall come into effect in Q2 FY 2026. This would lead to additional interest savings of INR61 crores per annum.

We continue to maintain a dual AAA rating from ICRA and CRISIL on the back of our strong balance sheet, a long-dated maturity profile and limited amortizations over the next few years.

Our outlook for future growth of NOI and distribution in our current portfolio is very healthy. Once our current portfolio achieves stabilization at 97.5% occupancy, we would realize growth of 13% in NOI and 22% in our distributions. In terms of numbers, this would mean our distribution per unit on a stabilized basis would become INR25 plus. And this is without accounting for any impact on account of contractual escalations, MTM and any future changes in the interest rates.

With that, I would request the moderator to open the floor for Q&A.

Moderator: Thank you very much sir. We have a first question from the line of Puneet from HSBC. Please go ahead.

Puneet: My first question is on the change in working capital and Ind AS adjustment of 375 million. If you can talk a bit about how much of it is coming from tenant deposits and which assets in particular, it will be very helpful.

Amit Jain: Puneet, this is primarily related to the vendor payments, There are manpower vendors who are typically paid in a time lag of 2 to 3 months. But for March quarter, because of the year-end cycle, that lag is reduced to say one month, But coming to June, there is again a time lag of 2 to 3 months in making the vendor payments. So I would say the major movement in the working capital is because of this change in the cycle for the vendor payments, especially the manpower vendors.

Puneet: And that's a positive number for you, right?

Amit Jain: Yes, that's correct. In the current quarter, we have made lesser payments.

- Puneet:** Okay. Secondly, on your CAM and other revenue, if I look at CAM as a percentage of income from operating lease rentals, that has gone up to almost 40% compared to 34%, 35% what it used to be. How should one read that?
- Amit Jain:** See, this is driven by increase in occupancy levels as well, Puneet. Our occupancy levels have grown by 9% in last 18 months and even in quarter-on-quarter, if you see occupancy is growing. And the CAM expenses don't grow in the same ratio, while our CAM revenues grow as our occupancy increases. So that is the broad impact and the reason for improvement in the CAM margins overall.
- Puneet:** But between the fourth quarter '25 and the current quarter, where I think your occupancies have gone up marginally, the jump seems to have been quite sharp. That's what I'm trying to understand.
- Amit Jain:** There are 2-3 reasons there. First, I would say there is a contribution from MIOP. MIOP was acquired in the REIT portfolio in Jan to Mar '25 quarter. So there is a profit margin which MIOP has for providing property management services to G1. That is one factor. And as you see, the expenses have also increased, right, quarter-on-quarter. That translates into increase in the revenue as well. Occupancy growth is the third reason. And then if you see, OLR margins for our Kairos portfolio have improved as we have been able to recover higher costs as CAM revenue in that portfolio. So I would say that these 3-4 are the primary reasons for a major increase in CAM revenue quarter-on-quarter.
- Puneet:** Okay. That's helpful. And lastly, if you can...
- Rachit Kothari:** The large part of leasing that we had done 6 months back has started generating income only this quarter. So some amount of impact is on account of that as well.
- Puneet:** Yes. No, I'm saying I think on a Q-on-Q basis, your income from operating lease has been flat, but it's the CAM increase, which is driving the growth on the NOI side. So hence, the question here.
- Amit Jain:** Yes, that's right.
- Puneet:** Okay. Lastly, on the preferential issue, how should we think about that versus a QIP? Why go for preferential issue and not...
- Rachit Kothari:** Yes. So the reason we decided to raise a preferential issue as a manner of fundraising was really because there was a lot of interest in the market from non-institutions as well, which we were receiving. At the same point in time in a QIP, a lot of, I would say, corporates who don't have QIB licenses or high net worth clients or family offices cannot participate.
- So this is the only way we can make them participate in the company's growth. So we decided to tap into the opportunity and raise funds. As you're already aware, we are in conversations with the sponsor group to enable a large entry into Bangalore and Chennai. So in many ways, this INR1,000 crores, if this gets approved by the unitholders will add to the INR3,500 crores that we raised in, Q3 of last financial year and gives us about INR4,500 crores to INR5,000 crores

of dry powder, which will help us buy assets worth INR7,000 crores to INR7,500 crores. So we believe we are in a good spot, and this fund raise will help us only strengthen.

Puneet: Understood. That's helpful. And lastly, on the ROFO part, what should one think about as the time line for evaluating that the ROFO as an Equinox?

Rachit Kothari: Yes. So I think the current focus for the REIT is to grow into markets that it's not present in. So I think the focus is Bangalore and Chennai right now. And I think in terms of timing, of course, management wants to do it as soon as possible. We continue to work with the sponsor group. But we'll, of course, announce it as soon as we can.

Puneet: Okay. So my reading was this is -- they are also looking to sell to third party. So it's unlikely to come to REIT. That's one -- that's how one should read it?

Amit Jain: Are you talking about the right of first offer?

Puneet: Yes, for Equinox, yes.

Rachit Kothari: Yes. So I think the seller has found a better price in the private markets for that asset. And it's likely that it goes through there. But if it does not, then the REIT ROFO comes back.

Amit Jain: So REIT did make an offer, but -- the seller got a better price in the market.

Moderator: Thank you. We have our next question from the line of Pritesh Sheth from Axis Capital.

Pritesh Sheth: First is on leasing. So I think good traction this quarter on G1, G2 and N2 specifically. How is the pipeline sort of looking like now? Can we extrapolate this run rate in terms of leasing what we have seen in this quarter for the full year? And what would be our occupancy target for these 3 assets for this year, considering the start that we have got? And second, on the exit that we saw in our Kensington non-SEZ portfolio, likely was CRISIL. By when can we backfill the space? And what sort of -- what sort of rental expectation that we would be having? So first 2 questions on leasing.

Alok Aggarwal: Yes. Pritesh, this is Alok. There are multiple questions, so let me take one by one. In terms of CRISIL, we all knew that it's going to get vacated and we are in a very advanced discussions with a global MNC to take up the space. And we are very confident that it should close this month itself.

So that leasing is secured. It will happen at market rentals. So that's something we are comfortable. No challenges in that. So that's one. Then you talked about the pipeline. The pipeline is strong, and it is across assets. We have a 5 million square feet pipeline as of today, which is spread across SEZs, NPA and commercial and IT assets.

And, pipeline doesn't mean that everything would get converted, but we have seen in past strong conversion rates in our pipeline. Some of them are in advanced discussions. So leasing is something we are comfortable with, and we have been maintaining that leasing momentum is there, and it will continue to kind of roll out.

Let me also just talk a bit more about individual assets, which will give you some more comfort. When we talk about G1, we're already at 84%, good pipeline for SEZ as well as NPA flows. So that momentum is continuing. K1, we are already at about 97%, so pushing for the little leftover stuff. N2 is something, again, work in progress.

I think G2 is something I would like to talk about because I think last call, some concerns were raised about G2, but we have maintained that G2 also, probably it will get leased out, but with a bit of lag. We have seen 2 new tenants taking space in G2 last quarter. And both tenants are from our existing portfolio. They have preferred G2. They have been looking at G2. So this again validates that G2 also is gaining momentum.

And please also keep in mind that in G2, while we have strong discussions on NPA, we have not closed leases as such, but we are very confident that in the next few months, we should also do that. So again, I'm saying there was always some concern in G2, but as we have maintained, we are getting strong momentum in G2 as well.

And considering what we have given leasing guidance at early 90s, 93%, +/- 100 to 200 bps, we should be able to continue to keep making progress in leasing and rentals are also kind of moving up. Tenants are closing leases faster, not a lot of negotiations happening. We have seen 60%+ space take up by GCCs in our portfolio in quarter. So good positive momentum in leasing across sectors with, I would say, kind of rentals also firming up gradually across assets.

Rachit Kothari:

And I'll just add to what Alok said, we have about 1.7 million square feet of non-processing areas in our portfolio, of which 700,000 square feet is yet to be leased because some of that conversion has happened very recently. So if only that portion gets leased, we'll pick up 3% in occupancy, and there's a much wider pipeline for that area today. So we feel very comfortable about the ability to prorate this run rate into the rest of the year and end at about 93%, as Alok described.

Pritesh Sheth:

Got it. Pretty helpful. Second, I think on our largest tenant, which is TCS, obviously of late, we all have come across news about the let off, any sort of discussion that you guys are having with them in terms of any space which can come out, which is currently occupied and they want to exit because of this let off in employee count?

Alok Aggarwal:

That's an interesting question. But let me tell you, without taking names, they have not surrendered a single square inch of space in the last 5 years. So I would just say that. But I think my sense here is let's not get kind of -- get unnerved by noise here and there, some of the companies go through this cycle. --On one hand there is this news that you referred to but on the other hand one of the large tech company, they have decided to increase their back to office from 2 days to 3 days.

Now that company wants space from us in Noida, Gurgaon, Kolkata. So the point what I'm saying is some noise and that will keep happening, but the momentum in India for leasing is very strong, whether it's through GCCs, whether it's back to office, whether it's through SEZ spaces getting converted into NPA, whether it's Indian companies, which can take space today

in SEZ campuses, which they were never able to take earlier. And so one news here and there doesn't affect us and there's no effect to the ground, that's the point I am seeing.

Pritesh Sheth:

Sure. And just one last on the interest rate reduction part. So some of it we have already realized. Some of it is yet to. Overall, how much does it add to our current DPU run rate if the rest 50, 55 basis points gets translated to us over the next couple of months. I mean, over the next, yes, couple of months, if you think that we are going to benefit fully from whatever is already cut by the RBI.

Amit Jain:

Amit here. So overall, at the portfolio level, the benefit of 55 bps rate cut that will come to us over the next 1 or 2 months would be in the range of INR60 crores, out of which REIT share would be, say, around INR37 crores after considering the economic interest that REIT has in certain assets like NCP, Gland Kairos. And on an annualized basis, going forward, I would say the overall benefit that would accrue to REIT would be in the range of INR60 crores, which would translate into broadly INR 1 per unit of distribution.

Moderator:

We have our next question from the line of Abhinav Sinha from Jefferies India.

Abhinav Sinha:

Just a couple of questions on what you're seeing in terms of leasing trends on ground. So you have already elaborated a bit. But between the assets which we see in CBD versus outside CBD, how are you seeing rental uptick specifically? And also on the occupancy side, if you can talk a bit about that?

Alok Aggarwal:

So see, the leasing momentum is across micro markets. CBD as well as, I would say, non-CBD properties, leasing momentum is there. Rental increase, which is happening slowly and steadily is also across all micro markets. Of course, at one quarter, a particular micro market can do better than other micro market. But unless there are specific questions, I would say leasing momentum is across assets, across micro markets, CBD as well as non-CBD properties.

Abhinav Sinha:

And on rental itself?

Alok Aggarwal:

Yes. See, it's very obvious when your occupancies move from 80% to 90%. When your leasing in top 8 cities in country has been touching all-time high from last 2 years. It's expected to be 90 million square feet this year. It was close to 90 million square feet last year. Not many new properties are coming up. So of course, there is scaling up of rentals and tenants also know that they have to -- if they want space, they have to close space fast.

Otherwise, as occupancies are moving up, they will not get a place of their choice if they're delayed by 6 to 9 months or 12 months. So now that kind of an option is not there, that you can wait for some time and the property would still be available.

And then this SEZ reforms make sure that some of the large companies, and I can't name them, but from telecom sector, from automobile sector, they are looking at our campuses and other campuses as well, I mean, not only us, but even for other top-notch developers. So I would say the pool of tenants has opened up actually. So that's giving a lot of positive traction.

Rachit Kothari: And I'll just add one point to this. With the residential cycle doing so well, land prices generally in infill locations have gone up. And what that really does is for any incremental supply to come, they have to charge a higher rental than those prevailing in the market and definitely the buildings that are already leased. And that creates a good spread for properties like ours to capture that or at least grow at inflationary rates going forward.

So on the rental growth, as Alok said, I think we feel very good because generally, everything around either is coming in a project who had to pay a little bit above market for the land to secure it while residential was doing well or there is no supply coming online because land has become too expensive. And both points put together actually create a very good demand-supply dynamic for properties like ours.

Abhinav Sinha: Right. Sir, second question on the acquisition pipeline that you have presented. So fair to assume that we will be looking to acquire this over a few years, I mean, in chunks rather than all at one go?

Rachit Kothari: Yes. I mean the sponsor group has a lot of properties. So it's difficult to acquire everything in one go. But as I described earlier, with INR4,500 crores to INR5,000 crores of dry powder in equity terms between the QIP and the preferential allotment, if this goes successfully, we will be able to buy almost INR7,000 crores to INR7,500 crores of asset value.

There are 2 ways to do it, either we buy 100% of INR7,500 crores or we buy 50% stake in INR15,000 crores. So there are both ways to do it, but the sponsor group has more assets beyond it. So we expect that activity like this will keep happening every year with the REIT trying to scout for acquisition opportunities from third parties as well as the sponsor as we move along.

Abhinav Sinha: Right. And also in tandem, how low is Brookfield willing to go down on the stake part?

Rachit Kothari: I would say percentage terms, I think we'll still be the single largest shareholder in the REIT after this preferential allotment and far, far higher than the second largest unitholders in the REIT and there are plenty of them. But again, I mean, I think stake percentages start becoming slightly less relevant when you see absolute amount of money put into the market.

Today, if Brookfield owns 25% of INR20,000 crores market cap, it's INR5,000 crores of money at work, while the regulatory minimum is just INR500 crores. So it's very, very significant. I'll judge it less by the percentage, but more by the amount of investment that Brookfield has in this vehicle going forward. The number can be anywhere between 15% to 25%, but the absolute amount matters a lot more in our opinion.

Moderator: We have our next question from the line of Dhiraj Dave from Samvad Financial Services.

Dhiraj Dave: My question is related on Slide 9 we had been giving an indicative pro forma leasing DPU of around INR25.7. So are we giving any guidance or in view of the new issues we tend to reserve -- and if it is basically -- it make sense to give us guidance rather than a pro forma kind of it because if it is then in how many years' time we expect to reach that INR25.7 assuming the same portfolio, no change in issues, certain assumption?

Alok Aggarwal:

So, Dhiraj, for this year, we have not given DPU guidance, but we have distributed INR5.25 last quarter. This quarter also, we are distributing INR5.25. But for this year, we have not given a guidance. Now this INR25.7 is something, I would say, let's say, it's probably around 2 years' time frame, I would say, a few months here and then it could be earlier, it could be later.

But this is an indicative number, which does not capture MTM, and only talks about if on today's rental, the properties get leased. It's not capturing the escalations, which can happen over 2 years. This is an indicative number to show the headroom, and this should not serve as a guidance.

Dhiraj Dave:

Yes. I understand. And I understand your point. But with certain assumptions, assuming same kind of portfolio, so obviously, if things underlying assets have changed considerably as you are exploring some acquisition, definitely, there would be change. But wouldn't it make -- because you had been giving guidance in the past. Is that -- and all the REIT players, most of the prominent one also gives indicative guidance. So it makes sense then -- and among the peer group, it becomes relatively better to compare?

So just one submission from our side or my side, please consider giving guidance. You may put all the essential assumptions, not -- because you in the past, you have been giving guidance and you have done significant acquisition after that as well. So just one suggestion because just this pro forma doesn't help us to -- as you correctly said, this will happen over a period of 2 years' time. So we don't know when exactly we should. So if management gives a formal guidance that would be helpful. So just one feedback.

Second part, like we see significant distribution -- we see there is a shift in distribution, which is increasingly, interest portion is getting less. Our taxable portion is getting less. So how should one see direction 1, 2 years' time? Do we see further reduction in the taxable portion in distribution?

Amit Jain:

Right. If you see our current ratio of dividend component and capital distribution component is around 60% to 62%, dividend is in the range of 10% to 12%. We expect that dividend component of distribution will increase over the next few quarters, thereby a reduction in the interest component. So yes, we are targeting to reach a dividend composition of, say, 15% to 20% over the next few quarters.

Dhiraj Dave:

In how many quarters or a year, if you can -- by say, let us say, March '26, what would be expected dividend component in distribution?

Amit Jain:

Hard to give a number as of now. But as I said, over the next few quarters, there should be growth in the dividend component. Maybe we can come back with specific details around that.

Dhiraj Dave:

Yes. And humble request, please give us guidance with assumptions, definitely, but whatever - - because that helps us to compare all the REIT.

Moderator:

We have our next question from the line of Pradyumna Choudhary from JM Financial Family Office.

Pradyumna Choudhary: Just a couple of questions. One, as a follow-up to the previous participant. Is there any particular reason why we're not giving the guidance? Like is it to do with the acquisition that we're planning or any other reason as well?

Rachit Kothari: I wouldn't say we haven't given any guidance. We have basically charted out the path for the distribution profile of the REIT itself. Of course, in view of the management, it can take, as Alok always describes, about 8 quarters for us to reach those numbers. So in a way, you can prorate the 21 to 26 into 2 tranches where you say every 5% of occupancy will give you about INR3.

That's the thumb rule. So we have given it in a way because we have given you the 93% occupancy guidance. But there's no specific reason for it. I think we are in an environment where interest rates are dropping as well. Difficult for us to put that into our forecast. We can only talk about leasing, which we have spoken about as a part of our materials.

Pradyumna Choudhary: And any indication on these acquisitions, whether they'd be DPU accretive from the first year or not?

Rachit Kothari: I mean that's the intention. In the past, whatever we have done, those acquisitions have been from modestly to very well, like it has been as low as 2% in some acquisitions, but as high as 10% incrementally in the most recent acquisitions. So our intention will be to have a DPU accretion right from the first quarter, not even the first year.

Moderator: We have our next question from the line of Kunal from Bank of America.

Kunal: My first question was around your financing structure. Your exposure to floating rates is serving you very well in market conditions like these. But given that sooner than later, we should be headed to bottom of the rate curve, are you thinking along the lines of increasingly shifting in favor of fixed? And I'm asking particularly because given that you have upcoming acquisitions, does it help by sort of locking in rates at a low absolute level?

Shailendra Sabhnani: Yes. Sure, Kunal. Shailendra here. It does make sense to think about fixed rate bonds with where we are in terms of the cycle. So as we look to raise incremental debt for relevering what we've historically raised as equity, a bond structure definitely looks far better today. We obviously look to balance between long-term maturity tenure on one side, pricing on the other side, and it's the right balance.

So that we are also not exposing the REIT to refinancing risk on an incremental basis. But yes, I think we constantly keep watching the bank loan and capital markets. And going forward, you should continue to see some amount of bond issuances that will give us a fixed rate and a floating rate structure to our capital mix.

Kunal: Got that. Okay. And then just a follow-up on the rental rates in the market. A lot of the listed companies from where we have the data are essentially confident of path to early 90s, mid-90s in terms of occupancy. So I think based on past behavior, would you say a 90% sort of occupancy level is enough for you to start seeing those upward revisions to rental rates? Or will it have to be more like mid-90s or late 90s to increasingly get there?

Alok Aggarwal:

So Kunal, rate revisions keep happening from asset to asset and on quarter-to-quarter. Of course, it's a function of so many things, difficult to kind of factor everything. But if you recollect, in Kolkata, our rentals got re-rated almost by, I would say, almost 35% to 40% when we had a large lease where we also did conversion from SEZ to NPA. So I would say as occupancies are moving upwards, we are already seeing rate revisions.

And as occupancies move from early 90s to mid-90s and they cross mid-90s, these assets have seen much higher occupancies in past pre-COVID, and that also will happen. We have seen some assets achieving occupancies in late 90s, it's a work in progress. Rate revisions is a continuous process, and we'll see continuous rate revisions.

Kunal:

Got it. And then the final one, just again, a follow-up on IT services a bit. Given the TCS news flow, there'll be quite a bit of debate around what's coming here in the next few years. So -- and if I just want to understand that as you think about this part of your tenant base, what proportion of the tenants are sort of back in office maybe once or twice a week versus those that are back more regularly, probably helps us draw a line to thinking as to as more of these companies have a return to office, how much of a cushion that could serve?

Alok Aggarwal:

I think that's a good question. And if you really see from last 5 years and over next, I would say, 3 to 5 years, you will see tenant profile kind of getting reoriented. If you see our portfolio itself, we had 61% GCCs taking space in this quarter, where their share in our portfolio is about mid-30s, about 25%. So gradually, the share of GCCs would inch up.

Difficult to say finally what it would look like. And then we can also see a lot of, as I said, maybe some of telecom companies, some of our Indian automotive companies, other domestic companies taking space across our properties, even in SEZs given the NPA spaces. Across non-SEZ spaces they have been already taking space. So that would happen. The percentage of IT services company will go down, has been going down. So that would happen. But we are not really worried because these companies also -- one company, one news doesn't define the sector.

We have seen companies continuously taking space in IT/ IT services as well. And please keep in mind, most of these IT/ IT services companies already have their real estate portfolio down to, I would say, 60% to 70% pre-COVID and their manpower is anything between 50% to 60% up. So today, whenever they need space, they need it on yesterday's basis.

We have seen these companies come and they say, we need to close today, not tomorrow. We want to start operations today. And that's still happening actually. So I think one company, one news and that also 2% workforce, it doesn't worry us. We have seen that in the past. It really doesn't worry us at all.

Moderator:

As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Alok Aggarwal:

Thank you, everyone, for joining today's call. We look forward to connecting with you next quarter. Thank you.

Moderator: Thank you. On behalf of Brookfield India Real Estate Trust Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.