Brookfield
India Real Estate Trust

"Brookfield India Real Estate Trust Q2 FY'25 Earnings Conference Call"

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Brookfield
India Real Estate Trust

CHORUS CALL®

MANAGEMENT: **MR. ALOK AGGARWAL – CHIEF EXECUTIVE OFFICER & MANAGING DIRECTOR, BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED**
MR. ANKIT GUPTA – PRESIDENT, BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED
MR. AMIT JAIN – CHIEF FINANCIAL OFFICER, BROOKPROP MANAGEMENT SERVICES PRIVATE LIMITED
MR. RACHIT KOTHARI – BROOKFIELD
MR. SHAILENDRA SABHNANI – BROOKFIELD

Moderator: Ladies and gentlemen, good day and welcome to Brookfield India Real Estate Trust Q2 FY'25 Earnings Conference Call.

As a reminder, all participant lines will be in listen-only mode until the floor is open for questions. Should you need assistance during the conference call, please signal an operator by pressing "*" then "0" on your touchtone phone. Please note that this conference is being recorded.

On the call, we have the following persons:

Mr. Alok Aggarwal – CEO and M.D., Mr. Ankit Gupta – President, Mr. Amit Jain – CFO of Brookprop Management Services Private Limited, Mr. Rachit Kothari, and Mr. Shailendra Sabhnani from Brookfield.

I now hand the conference over to the Management. Thank you and over to you, sir.

Alok Aggarwal: Good morning, everyone. This is Alok. On behalf of the Brookfield India Real Estate Trust, I extend a warm welcome to all participants joining us today for this conference call.

While global office markets face challenges, the Indian office market continues to show robust demand due to economic growth and an influx of global corporations increasingly setting up their offices in India. India continues to remain an attractive hub for talent. Recent reports forecast another record-breaking year for India's office leasing market, with total leasing across major cities expected to surpass 80 million square feet in 2024.

Brookfield India REIT has witnessed robust growth since IPO with our assets under management growing by more than 3x. We have achieved this increase in scale through both organic and inorganic activities. Our operating area has more than doubled, while our tenant base has been significantly diversified and derisked.

The last 12 months have been a period of substantial progress for Brookfield India REIT. Our committed occupancy has grown by 500 basis points and is now at 85% as we have witnessed a substantial increase in demand for our campus style Grade A developments. This demand has been driven by a strong return to office trend, as companies have called their employees back to the offices at least 3-4 times in a week. We have witnessed demand for both SEZ and non-SEZ spaces with existing SEZ tenants taking up almost 4,47,000 square feet of expansion space during the quarter. In fact, tenants who had previously given us spaces in our campuses are now taking up additional spaces. This has been an ongoing theme over the last few quarters.

We believe that this robust leasing demand will continue in the future and expect it to positively benefit our occupancy levels. We anticipate strong leasing momentum across our portfolio, leveraging the dual offerings of SEZ and non-SEZ spaces within our campuses. This approach enhances our ability to attract a diverse tenant base and accelerates our path to higher occupancy rates. We retain our fiscal year end committed occupancy target of 87% to 89%.

Let me now invite Ankit to take you through the Key Highlights for the Quarter.

Ankit Gupta: Thank you, Alok. Good morning, everyone.

Let me take you through the key highlights for the quarter.

We achieved a gross leasing of 1 million square feet in Q2 FY2025 with the average rentals at Rs.124 per square foot versus the in-place rent of Rs.95 per square foot. This is driven by higher leasing at our higher rental generating assets.

The tenants that have been signed in the last quarter include GET Marine, Fidelity, Cognizant, ERGO, ESRI, Aristocrat and Aptia, amongst others. 4,47,000 square feet of the new leasing, which translates to around 66% of the overall new leasing of 6,79,000 square feet, has taken place in our SEZ assets.

The implication here is that while non-SEZ demand continues to be strong, our SEZ assets are also witnessing robust traction. The leasing performance over the last 12 months has led to our committed occupancy increasing to 85%, approximately 500 bps increased from September 2023, which is YoY.

Our same-store NOI has increased by 18% over the last 12 months, driven by the improvement in occupancy and supported by contractual escalations and spreads achieved on re-leasing and renewals. We achieved a 9.4% average escalation on 1.9 million square feet during the year and 19% re-leasing spreads.

We currently have a 2.8 million square feet of SEZ vacancy, of which 1.3 million square feet is currently under conversion to non-processing area. Against this 1.3 million, we have a robust pipeline of 2.2 million square feet. Backed by the strong leasing momentum that we have witnessed and the conversion of space to non-processing area, we expect to achieve a net leasing of 0.4 to 0.9 million square feet in H2. With this, we expect our occupancy to reach 87% to 89% by the end of the year, which is in line with the guidance we had given earlier.

Sustainability remains core to Brookfield India REIT's business strategy. We lead ESG excellence initiatives focused on creating future-ready assets, meeting evolving tenant needs while contributing positively towards environmental sustainability goals.

During the quarter, we have achieved milestones such as reaching 40% renewable power transition for 15.4 million square feet across four marquee assets, namely G1 and G2 in Gurugram and N1 and N2 in Noida, sourced from Brookfield's Bikaner Solar Power Project. This was achieved through a first-of-its kind agreement in India under the Inter State Transmission System bilateral arrangement. We remain on track to achieve 100% green power by 2027 across our entire portfolio in India.

During the quarter, we achieved a 5-Star GRESB Rating for the third consecutive year and were recognized as the Global Sector Leader for Sustainable Mixed-Use Development for our under-construction project at K1.

We are actively reducing our environmental impact through initiatives like solar power, water conservation, waste reduction, air purification and EV adoption. Our commitment extends beyond environmental impact. We strive to create vibrant and empowered communities through various social initiatives and programs. Collaborations with organizations such as People for Action and the Earth Saviors Foundation exemplify our commitment to fostering community development and enhancing social well-being.

With that, I'd like to invite Amit to provide the Financial Updates.

Amit Jain: Thank you, Ankit, and good morning, everyone.

Our operating lease rentals have grown to Rs.426 crores in Q2 FY'25, 1% higher QoQ compared to Rs.420 crores in the previous quarter and 55% higher YoY compared to Rs.274 crores in the same period last year.

The adjusted NOI for Q2 FY'25 is at Rs.486 crores, 2% higher QoQ compared to Rs.475 crores in the previous quarter and 40% higher YoY compared to Rs.347 crores in the same period last year. The YoY growth is primarily because of the acquisitions of Downtown Powai and Candor TechSpace G1 being completed only midway through Q2 FY'24 and are therefore reflected in Q2 FY'24's financials for part of the quarter.

We are distributing Rs.4.6 per unit for this quarter, translating to a total distribution of Rs.221 crores. We are pleased to highlight that the dividend component of the distribution has been maintained at 11% this quarter. We expect the dividend component to improve going forward.

If we consider only a 50% share of the NOI from the three assets where we own a 50% stake, our current adjusted NOI run rate is Rs.17.5 billion on an annualized basis. Steady leasing recovery can drive around 14% growth in our NOI run rate and consequently lead to approximately 27% growth in distributions. This would translate to a distribution per unit on a stabilized basis of Rs.24.2 without accounting for any impact on account of rent growth, contractual escalations, MTM and changes in the interest rates.

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. In fact, we are pleased to report that CRISIL has revised outlook for Brookfield India REIT from Negative to Stable. A majority of our loans are linked to the repo rate, which will benefit us as the benchmark rates begin to trend lower.

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

Moderator: We will now begin the question-and-answer session. The first question is from the line of Puneet from HSBC. Please go ahead.

Puneet: My first question is with respect to G2. There seems to be a bit of fall in NOI on a QoQ basis and little lower vacancy as well. What's happening on G2 side?

Alok Aggarwal: You're talking about the occupancy in G2, right?

Puneet: Occupancy in G2 and also the NOI has also fallen QoQ.

Alok Aggarwal: In the last call also I've maintained that in SEZs, we have large vacancies in three assets, one is G1, one is N2 and one is G2. We expect G1 and N2 to ramp up much faster and G2 would ramp up with a bit of a lag, I have said that last time also. Our pipeline is strong, and we are working to ramp up the occupancy and we're expecting a good pick up from at least non-SEZ tenants in near future. So, pipeline is good. We should expect occupancy at G2 to ramp up, but it would lag behind G1 and N2, that is something I've maintained last time also.

Puneet: But what really is the reason why G2 specifically is seeing extra weakness? Also, there was a pickup in occupancy in Q1 and Q2 has dropped marginally, but your NOI has dropped more meaningfully?

Alok Aggarwal: So, there is no specific reason why it has dropped. As we have always maintained that leases could be lumpy and we were expecting some leasing which has not materialized, but yes, G1 and N2 are ahead of curve, they're better placed to attract new tenants and ramp up the occupancy, but G2 also we're sure that the occupancy will move up.

Puneet: Secondly, if you can talk about the leakages in the NDCF walk down from NDCF at REIT level which is Rs 2,481 million down to the distribution of Rs 2,285 million if you can help us understand what are the leakages there, it will be very helpful?

Amit Jain: So, you're talking about generation of Rs 4.76 versus DPU of Rs 4.6 per unit, right?

Puneet: No. So, Rs 2,481 million NDCF, which is at SPV level for REIT and down to the NDCF at REIT level, what are the additional numbers? There seem to be Rs 202 crores additional borrowing, if you can talk a bit about that despite that there is a negative impact here on the REIT level of NDCF?

Amit Jain: So, as per the regulations, the SPVs are required to distribute at least 90% of the generation to REIT, right. So, although the generation at the SPV level is around Rs 248 crores, but then based on the revised framework, there is a requirement to retain reserves for the interest expense at the REIT level. So, REIT has certain CPs, right, on which interest of around Rs 20 crores is accrued on a quarterly basis. So, that is how that reserve is created at the REIT level and therefore the NDCF at the REIT level is around Rs 228 crores.

Puneet: Rs.20 crores is the financing cost at REIT level?

Amit Jain: That's correct.

Moderator: The next question is from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi: My question is regarding G1. We have seen an improvement in occupancy. You also said that it is tracking ahead of G2. Now, here we will see income support by I guess June '25. So, by that time, what is your estimation of the occupancy that we will be able to achieve in G1?

Ankit Gupta: The income support that we have, if you do the calculation, which is attributable to REIT is roughly about Rs 17 crores and both in terms of G1 on a standalone basis as well as for the overall portfolio, we feel very confident that we don't see any short-term dip due to this income support getting over. The G1 asset continues to see a strong pipeline. As you can see the numbers for this quarter as well, we have been able to increase the occupancy from 69% to 74%. We continue to see a healthy leasing momentum there both on SEZ as well as demand for non-SEZ with the recent conversion around the corner. On an overall portfolio level as well with mark-to-market, with escalations and new leasing, we feel more than comfortable to be able to more than offset the income support dip that will come in. So, there should be absolutely no challenge in replenishing that even in the immediate quarter after the income support finishes.

Parvez Qazi: My second question is regarding the SEZ area. So, of the vacant SEZ space of 2.8 million square feet, we have about roughly half of it under conversion. So, for the balance 1.5 million square feet, what is our strategy? Do we want to keep it under SEZ to take care of any leasing demand that we might see in SEZ or in future, we would like to convert that also?

Ankit Gupta: On that, if you see this quarter's performance, and as I mentioned in my note earlier, of the total leasing that has happened in this quarter of about 700,000 square feet, about 4,70,000 square feet has come from existing SEZ expansion demand in our assets. So, at least we in our portfolio over the past several quarters have continued to see meaningful SEZ demand in our new lease up every quarter and therefore, we are going ahead with about 1.3 million square feet conversion and keeping the remaining 1.5 million square feet for SEZ for this kind of demand to be catered to. As the 1.3 million square feet gets leased up by the non-SEZ tenants, we can take a call on the remaining 1.5 million square feet. But right now we want to keep that as SEZ given the demand we continue to see, which has as an example actually been shown in this quarter and the previous quarter as well.

Moderator: The next question is from the line of Pritesh Sheth from Axis Capital. Please go ahead.

Pritesh Sheth: First question I just wanted to understand what was the dividend for NDCF from North Commercial portfolio this quarter? Last quarter I think it was Rs 21 - 22 crores.

Amit Jain: The total dividend component in the distribution this quarter is Rs 32 crores. Dividend from the North Commercial Portfolio is similar to the last quarter, i.e. Rs 21 crores.

Pritesh Sheth: I just want to understand in terms of leakage at from the NDCF REIT level, that was Rs 252 crores, right, including Rs. 21 crores that we have got from North Commercial portfolio. So, the difference is what you were explaining earlier about keeping reserves for paying off interest at the REIT level, etc., is that understanding right?

Amit Jain: Yes, dividend from the North Commercial portfolio is Rs. 21 crores and the balance dividend has come from other 100% owned SPVs of REIT. So, basically out of the total distribution that REIT has received around Rs. 20 crores has been reserve to service the interest on commercial papers, around Rs. 4 crores are REIT expense, and that is how we are arriving at NDCF of Rs 228 crores at the REIT level.

Pritesh Sheth: We had NDCF of Rs 4.76 per unit this quarter whereas the distribution was Rs 4.6. So, why not 100% payout this quarter, any specific reason for that?

Ankit Gupta: It's a difference of 16 paisa, hardly 3 - 3.5% in the overall scheme of things and we are just keeping that minor amount for any eventualities. In addition, if you look at our guidance, we have given guidance of Rs 18.5 +/- 25 paise. So, if I take an average of Rs 18.5, in the previous quarter, we had distributed Rs 4.5, so the remaining is about Rs.14 for the three quarters, which averages to about Rs 4.66. So, we have distributed Rs 4.6 just to even out the distribution for these remaining quarters, and in any case, if there is anything extra that is left, within this financial year itself we will distribute. So, it's basically just to even out the distribution over the quarters.

Pritesh Sheth: You have taken approval for Rs 3,500 crores of capital raise. That would largely be for debt repayment?

Shailendra Sabhnani: Sorry, could you just repeat the question?

Pritesh Sheth: You have taken approval for capital raise. What would be the purpose of that capital raise?

Shailendra Sabhnani: So, this is an enabling resolution that allows us to be ready to capitalize on any future growth opportunities that may arise. In the interim, this may be used, if any, for debt reduction.

Moderator: The next question is from the line of Mohit Agrawal from IIFL Securities. Please go ahead.

Mohit Agrawal: So, the first question is more of a clarification. For you to achieve 87% to 89% occupancy target by the year-end, if I take a mid-point of 88%, is my understanding correct that you need a net leasing addition of 0.7 - 0.8 million square feet and then you have about half a million square feet of area expiring. So, that makes it to the new leasing target from here on second half, is about 1.3 to 1.4 million sq ft, is that understanding, correct?

Alok Aggarwal: Yes, that's right. If you take 88% occupancy, we will need around 1.1 to 1.2 million square feet of new leasing.

Mohit Agarwal: And you have done 0.9 million square feet of net leasing so far in first half. So, the annual target that you need to do which you had earlier given of 1.5 – 2.0 million square feet. I'm just trying to understand how this kind of resets your annual target. So, your annual target is closer to about 2.3 - 2.4 million square feet of net leasing?

Alok Aggarwal: Annual target will be around 2 million square feet of new leasing. So, if you take 88%, yes, it will cross 2 million square feet.

Mohit Agarwal: And the pipeline that you're looking for, you're confident of about achieving that about 1.3-1.4 million square feet of net leasing?

Ankit Gupta: Yes, for a net occupancy of 87% to 89%, like you had mentioned earlier, we need a net leasing of about 1.5 million square feet, to achieve 88%. Of that, we have already achieved about 0.9 of new leasing. So, 0.5 - 0.6 million square feet as a net leasing for the remaining half of the year, we feel very confident about.

Mohit Agarwal: I have a few follow ups on that, maybe I'll take that offline. My second question is we continue to see increases in the expiry number, so it seems you seem to be getting new fresh expiry notices in this quarter as well. So, is this more like a regular churn or do you think, there's still that IT services segment which is kind of or that part is not settled yet. So, if you could just clarify if this fresh expiry notices is more like regular business or still not settled?

Ankit Gupta: No, this I would definitely classify as regular course of business. In fact, if you see even in this quarter as an example, Cognizant has grown in our portfolio and we have seen some good demand coming back, although cautious, but definitely positive from some of the other IT services companies which are starting to grow back into the market. So, I think that era of downsizing is definitely behind us. This increase in expiries is basically regular course of business. But I would also say that the robustness of demand for our high-quality Grade A assets is high enough for us to have maintained our occupancy guidance of 87% to 89%, which we had given earlier as well, in spite of the higher expiries because we are increasing our new leasing target. So, overall, we feel confident of the regular course of business for us to be able to cater to meet and overcome these expiries.

Mohit Agarwal: Any particular tenant or any particular asset where you have seen the fresh notices coming in?

Ankit Gupta: This is spread across a few assets, not targeting any one particular asset. So, I would not pinpoint any specific one particular tenant attributable to this requirement. And therefore, I feel comfortable in sharing this to be a regular course of set of expiries.

Moderator: The next question is from the line of Sumeet Kumar from JM Financial Institutional Services.

Sumeet Kumar: My first question is on the same store growth of lease rentals, that Rs 548 million, if you could break it down to how much comes from increase in occupancy and how much from escalation and rental growth?

Ankit Gupta: So, the 18% growth of same store NOI that we have been able to demonstrate, which is a very healthy same store NOI growth, breaks up as occupancy growth contributing to about 8%, lease-up of about 8%, escalations of about 4% to 5%, a mark to market improvement of about 4% to 5% and some cost savings also of 1% to 2%. So, it's a healthy mix of this distribution.

Sumeet Kumar: And a second question if I may. There was this cap reduction plan as well. So, any update on that, what has happened over the last two quarters?

Amit Jain: Our capital reduction schemes for the three assets were approved and in fact we have started making distributions from one of the asset, N1, and the balance two assets we expect that over the next two-three quarters we should start distributing dividends from those assets as well.

Sumeet Kumar: Any guidance on how the mix would look like going forward from the current 60%-65%?

Amit Jain: We are expecting that our dividend component of distribution should increase to 20% to 25% from the current level of around 11%. Once these capital schemes are fully implemented, then the dividend component would increase to 20% to 25%.

Moderator: The next question is from the line of Yash from Maximal Capital.

Yash: On slide #11 you have given a pro forma at 100% occupancy for the NDCF. But how does it pan out at 88% which is the midpoint of the guidance for this year?

Ankit Gupta: So, Slide #11, yes, this is at 100% occupancy. At 88%, which is basically the guidance we are giving for by end of this year, that will be in line with the guidance of Rs 18.5 +/- 25 paise that we have given earlier. Post that obviously you will see an uptick because the run rate will change. But for this year the guidance will continue to be in the range of the Rs 18.5 +/- 25 paise.

Yash: But given the current range, like what would be guidance if any for FY26?

Ankit Gupta: For that we will have to get back. Right now, we are focusing on our guidance for this year and therefore putting our heads down to making sure that operationally we are delivering on that. For the guidance for next year, we will share that subsequently at the right time.

Yash: And on the spreads, I'm a bit confused. So, you said that on the existing renewals, you are getting around 5% of a markup. So, 5% markup on that and 5% on mark to market for the new leasing. Is that the right way of looking into it? So, basically, when you are getting a new tenant, and you are getting 5% sort of more than what was the existing rent for the old tenant?

Ankit Gupta: Yes, about 4% but yes, 4% to 5% in that range. That's the mark to markets, which is baked into the 18% same store NOI growth.

Yash: And how does that relate with the spread percentage data which is there on Slide #7?

Rachit Kothari: I think the question, if I understood correctly, is that when we break down the 18% growth within absolute terms will be about 40 crores a quarter, give or take. Your question is, why is that 5%? Actually, it's 5% of total absolute growth, not on a lease-by-lease basis. On a lease-by-lease basis, the numbers will corroborate with what you see on the leasing success page of the presentation, which is about 21% on renewals and about 17% on new leasing. What Ankit described as 5% was really the breakdown of the absolute quantum of 18% growth.

Yash: So, put it another way, this 17%- 21%-19%, over what period is this happening on average?

Sarthak Patel: The 17% and 21% you see on the slide is for Q2. And as Rachit explained, this number represents what is the increase in the rent on the area where we did a new leasing or a renewal. The number of MTM of 4% was on the entire base of the NOI of the asset, which will also include a lot of the legacy leases where there is no new leasing or renewal. So, it's on the entire base; 17% and 21% is only on the area where there is a new leasing or a renewal which is happening.

Rachit Kothari: Put differently, I think we see about 8% to 9% of our leased area churn every year by way of regular course expiries, which is ordinary course of business for us. You see these spreads, if you see our history for the last six or eight quarters, you will see these spreads pretty much consistently everywhere where these renewals or new leasing happens. I would say on an average, I think about 8% to 10% of area every year which goes through this churn achieves such rates.

Yash: So, that will add another 1%-1.5% to your overall growth.

Rachit Kothari: Yes, absolutely.

Yash: And then apart from that, your typical terms would be 4%-5% escalation every year?

Rachit Kothari: Yes.

Yash: And just one final thing. So, when you're converting this SEZ to non-SEZ, are you seeing any compression in the rentals in any of those properties?

Ankit Gupta: No, as we are converting to non-SEZ, we are in fact seeing two kinds of outcomes. One, in assets where we already are healthy on our occupancies, we are seeing an uptick given the kind of demand. If you see for example in Calcutta, we were earlier on a SEZ basis tracking at about Rs. 44-45 of rental. The deal that we did with HDFC for the non-SEZ part was at higher rate. So, we've seen a healthy uptick there. In some of our other assets as we are doing the conversion to non-SEZ, our current focus is to accelerate the velocity of the take up which in the interim we will focus on at similar rentals. And once we achieve higher occupancies there, we will also focus on premiumization with higher occupancies. So, there we will start seeing more rental upticks as well.

Yash: What's your current debt to AUM and what's the target on the sort of taking it upwards or downwards?

Amit Jain: So, our LTV ratio excluding third party shareholder loan is 34.5% and if you are including shareholder debt from GIC, , the LTV ratio is 38%.

Yash: And since it is lower than the regulatory threshold, is there a plan to sort of take it upwards in the coming years and what would be that?

Amit Jain: No, actually in fact we are intending to bring it downwards. But there is no plan to increase the LTV ratio for sure.

Yash: So, the further growth, how are you planning that with that will happen with the equity infusion only or how are you planning that?

Shailendra Sabhnani: So look, the further growth will largely be, and if you see how we've done the last acquisition, will largely be while maintaining the LTV ratios in the current zone and effectively that would entail, call it two-thirds equity, one-third debt on a go forward basis.

Yash: So, these will be primarily with large landlords and they getting units of the REIT as previously with the Bharti Group?

Shailendra Sabhnani: So, look what you saw with the Bharti Group was a swap where the consideration was settled in terms of units. If you look at the acquisitions that we did last year, there was a mix of cash and units. So, going forward we will take a call at that point in time on what would be the appropriate mix for discharging the consideration for that acquisition.

Yash: And since you are trading at a value which is lower than the NAV, so every time you issue these units, is this NAV accretive or does it help the existing unit holders?

Shailendra Sabhnani: If you look at the last acquisition that we did earlier this year, which was the North Commercial Portfolio, it was accretive on an NAV basis, it was accretive on an NDCF basis. So, that's just one precedent that I would like to direct you to look at.

Moderator: The next question is from the line of Dhiraj Dave from Samvad Financial Services LLP.

Dhiraj Dave: One question is what is the kind of, in these new rentals, can you give us breakup of GCC clients and non-GCC clients and what is the management views about getting to that area?

Shailendra Sabhnani: So, Dhiraj, if I understand the question, you're basically asking of the rent, what is the breakup between GCC and non-GCC tenants?

Dhiraj Dave: Yes.

Shailendra Sabhnani: Maybe we will answer that directionally, but I'll just hand it over to Ankit.

Ankit Gupta: So, Dhiraj, for example this quarter and I can give you an area perspective; Rent we'll need to carve out, but I think it should be in the similar range. About 35% to 40% of our total area lease up has been done by GCCs. Even if you take our overall portfolio, it is in that range. So, if you had to take a direct extrapolation, you can take a kind of rental average also in that range though we will have to do specific numbers on that.

Dhiraj Dave: And how do you see growth because there is roughly a pattern of growth being demand for GCC is higher than non-GCC or are equally robust?

Ankit Gupta: We do continue to see a very robust demand from GCC. Domestics are growing as well. But I think GCCs in general across the country, and we are seeing this in all our locations, are going in a very healthy way including the demand for our specific assets is on a very high pull basis by GCCs.

Moderator: Next follow up question is from the line of Yash from Maximal Capital.

Yash: Can you walk us through your liability structure in terms of how much is external benchmarks related loans and how much is MCLR, etc., and then what would be the sensitivity on the overall NDCF for the 0.5% decrease in the benchmark repo rates?

Amit Jain: So, our repo rate linked portfolio represents 81% of the total loan book an Currently our average interest cost is around 8.36%, on our overall loan book of around Rs 11,000 crore, a 50 bps reduction would lead in a saving of around Rs 50 crores on an annualized basis.

Yash: And finally, now because of this some geopolitical problems between India and Canada. So, is there any sort of change in the way we are looking at expanding this portfolio out of the REIT going forward? Any change from the sponsor’s side or what you have discussed with them?

Ankit Gupta: Yash, there is absolutely no impact of any of that in our context.

Moderator: As there are no further questions, I would now like to hand the conference over to the management for closing comments.

Alok Aggarwal: Thank you everybody. Thank you everyone for joining today's call. We look forward to connecting with you next quarter.

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