



“Knowledge Realty Trust Q3 FY26
Earnings Conference Call”

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Moderator: Ladies and gentlemen, good day and welcome to Knowledge Realty Trust Q3 and FY26 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Senthil Kumar, Head of Investor Relations, Knowledge Realty Trust. Thank you and over to you, Mr. Senthil.

Senthil Kumar: Good afternoon to everyone joining us today. On behalf of the management team, I'd like to welcome all the participants for the KRT's Q3 FY26 earnings call. Before we proceed, a couple of important disclaimers. I'd like to highlight that the management may make certain comments that may constitute forward-looking statements. Please be advised that our actual results may differ materially from these statements.

KRT does not guarantee these statements or results and is not obliged to update them at any point of time. Joining me today on the call are Shirish Godbole, KRT CEO, Quaiser Parvez, our COO, and Neeraj Toshniwal, our CFO. We will start off with brief remarks on our business, macro environment, and financial performance, and then open the floor to questions. Over to you, Shirish.

Shirish Godbole: Thank you, Senthil, and a very warm welcome to everyone. I will begin with a brief introduction about KRT for the participants who may be joining us for the first time. KRT got listed in August 2025, and we are the largest REIT in India by market cap at over INR50,000 crores. With a high quality 46 million square foot portfolio, we are also the most geographically diversified office REIT with over 95% of our value comprised in the three core markets of Mumbai, Hyderabad, and Bangalore.

I am happy to inform you that we were included in the FTSE EPRA Nareit Global REITs Index in December 2025, reflecting growing global recognition. Encouragingly, we continue to see broadening participation across investor segments, with our unit holder base doubling since listing. Since our listing in August 2025, our unit price has gone up over 20% as a result of strong operating performance and macro tailwinds.

We also made our maiden distribution of INR1.56 per unit in the previous quarter. The broader macro environment remains supportive with India's real GDP growth hitting a six-quarter high of 8.2% in the second quarter of FY26, interest rate environment being favorable, and office markets scaling new highs every year. Against this backdrop, KRT is well positioned to benefit across operating, financial and capital market dimensions. I am pleased to report our Q3 FY26 results today.

Revenue grew 21% year-on-year, while NOI increased 19% year-on-year to INR10,407 million in the third quarter of FY26. I am very happy to announce that in line with our projections, distributions for Q3 stand at INR695.3 crores, translating into a DPU of INR1.57, reflecting the strength and predictability of our business.

With a low LTV of 18%, we remain well positioned to pursue disciplined inorganic growth. Overall, we enter the final quarter of FY26 with strong operating momentum, a resilient balance sheet, and visible growth levers. With that, I will now hand over to Quaiser Parvez, my partner, for an update on our business performance.

Quaiser Parvez:

Hello everybody and thank you Shirish. Good evening everyone. Before I get into our performance, a quick word on the market backdrop. India's office market closed calendar year 2025 with a record 82 million square foot of absorption. With GCCs contributing close to 40% of the demand. This reinforces that India's office story today is structural and not cyclical.

Vacancy in our core markets is stabilizing, new supply is becoming more selective, and high quality assets continue to see strong tenant interest. Against this backdrop, our portfolio remains very well positioned, concentrated in the strongest market with long lease tenures and high quality occupiers.

Now let me walk you through our operating performance for the quarter. Portfolio occupancy remains stable at 92%, and we carry a healthy leasing pipeline of about 1 million square foot which gives us good visibility to drive further occupancy movement. During Q3, we completed 0.6 million square foot of gross leasing taking cumulative leasing for the first nine months of FY26 to 2.4 million square foot driven by GCCs and front office occupiers. We achieved an average spread of 25% year to date, reflecting continued pricing power across our core assets.

Importantly, leasing quality continues to remain strong. Expansions by existing occupiers contributed more than half of our year-to-date leasing which is a strong indicator of occupier satisfaction and relationship. We continue to see tangible mark-to-market realization across key assets. At One BKC we renewed 70,000 square foot with a global technology company at record rentals of INR430 achieving a 17% re-leasing spread.

At One International Center in Lower Parel, we re-leased to a leading global consulting firm at INR222 achieving a 19% spread. Our portfolio has an embedded 22% mark-to-market potential supported by a well-phased lease expiry profile. This allows us to actualize rental upside in a calibrated and a sustainable manner over the next several years without taking concentration risk.

Also, our existing focus on rent escalation profile has resulted in an over 90% of our year-to-date leasing being on annual basis compared to the standard three-year escalations. This strategy results in greater visibility and steady compounding rent growth across the portfolio. With sustained leasing momentum and strong spreads, we delivered 19% year-on-year NOI growth this quarter.

Alongside leasing, we continue to invest in improving asset quality and tenant experience. We believe these investments not only directly support tenant retention and improve pricing power but also help the long-term asset values and are closely aligned to our sustainability and wellness initiatives.

To summarize, we continue to see strong leasing momentum and high tenant stickiness, deep pricing power and strong escalation profile, a very visible MTM led growth ahead and an operating performance that supports stable and predictable distributions.

With that, I will now hand it over to Neeraj to walk you through the financial performance in more detail.

Neeraj Toshniwal:

Thank you, Quaiser. KRT delivered a strong financial performance during the quarter. Revenue for Q3 FY '26 stood at INR11,787 million representing a year-on-year growth of 21%, while NOI increased 19% year-on-year to INR10,407 million. We are also pleased to announce that the board has approved a distribution of INR1.57 per unit, that is NDCF of INR6,953 million for Q3 FY '26. 92% of the distribution for Q3 FY '26 is tax exempt or tax deferred in the hands of unit holders.

We expect this figure to normalize around 86% to 91% for the full year FY '26. During the quarter, our higher floating grade debt composition and repayment of higher cost borrowings resulted in a 19 bps reduction in our average cost of debt from 7.44% to 7.25%. We will continue to monitor the interest rate environment to further optimize our financing costs. With its premier portfolio, geographical diversification, embedded growth visibility, and disciplined capital allocation approach, KRT remains well positioned to deliver sustainable growth for its unit holders.

With that, I will now hand the call back to the moderator to open the floor for questions.

QUESTIONS & ANSWERS SESSION

(Note: The Q&A has been edited for clarity)

- Moderator:** Our first question comes from the line of Nilesh Doshi from Prospero Finvest Limited.
- Nilesh Doshi:** Thanks for the opportunity. Sir, congratulations for the good set of numbers. But sir why the distribution does not increase compared to the September quarter in spite of the there is a reduction in the cost of borrowing from 8.6% in the March quarter to 7.4% in the September quarter and what is the broad guidelines for the future distribution sir?
- Senthil Kumar:** Right. Thank you for the question. So what has happened in terms of borrowings is yes we've had some savings but if you see majority of the rate reductions have come in the fag end of the year. For example there was a rate cut in December. After the lag of transmission, the full year effects only be in Q4. So net-net there are some savings but there is always some minus and plus. So overall we will meet our NDCF projections for FY '26.
- Nilesh Doshi:** So, so will the company maintain, will the REIT maintain the current distribution or it will be increased?
- Senthil Kumar:** So we have given projections in the offer document, so we will meet those projections. Overall, for FY '27, there will be an increase from FY'26. FY '26, whatever is in the projection will be the same.
- Nilesh Doshi:** Okay sir. And sir, next question, what is the difference between the committed occupancy and actual occupancy? And if the committed occupancy takes time to convert into the actual occupancy, then what is the time gap between the committed occupancy and actual occupancy so the revenue can be generated from the committed occupancy? What is the general time lag and how much is the actual occupancy and what is the committed occupancy, sir?
- Quaiser Parvez:** I will take that question. My name is Quaiser Parvez, Nilesh.
- Nilesh Doshi:** Thank you, sir.
- Quaiser Parvez:** The difference between committed occupancy and the actual occupancy is essentially the occupancy versus the rent generating occupancy. Traditionally, the difference between committed occupancy or actual/economic occupancy is roughly about 3% to 4%. In our particular case, our difference as of March was 9 point difference, which has narrowed down to a 6 point difference today.
- We -- our committed occupancy today is 92% and our actual/economic occupancy is about 86%. And as we sort of look forward, we think this 6 point difference will narrow down to a 3 to 4 point difference in the probably next two to three quarters.
- Nilesh Doshi:** Okay, okay. And sir the -- are the REIT is required to, the sponsor of the REIT required to reduce their stake to below 75% to maintain the listing or the REIT is out of that purview?
- Senthil Kumar:** No, there is a three years' timeframe for doing that, Nileshji, so we still have time to do that.

- Nilesh Doshi:** Okay, okay. Thank you, sir. That is all from my side. Thank you.
- Senthil Kumar:** Thank you.
- Moderator:** Our next question comes from the line of Pritesh Sheth from Axis Capital. Please go ahead.
- Pritesh Sheth:** Yes, hi. Good afternoon, and thanks for the opportunity. First, on -- firstly, the comment I think you mentioned about FY '27 distribution being higher than our projections. You know, what could be the reason for that? I mean, obviously, interest rate is one. But are you also doing better in terms of leasing as well as rentals? So if you can highlight, you know, on that. Yes.
- Senthil Kumar:** Thank you, Pritesh. Just to clarify, what I meant for the earlier question is, our distribution for FY '26 was projected around INR6.2 per unit for the whole year. What I meant is FY '27 will be higher than that, which was projected at around INR7.03. That is what I meant. I did not compare it to the projections and then asked about an increase.
- Pritesh Sheth:** Got it, got it. So with how the business has turned in last, you know, three quarters, both on the leasing side, rental side as well as on the interest side, all of that is pretty much in line with how the projections we are implying or we are seeing some difference there, either upside or downside? Yes.
- Quaiser Parvez:** Hi, Pritesh. This is Quaiser. Just reflecting back on your question from a business standpoint. In the -- in the last nine months on the business side, we have leased 2.4 million square foot; out of which 1.6 million square foot is new leasing and 0.8 million square foot is renewal. But what is even more important is that all of the new leasing has come at about 6% premium to market and renewals have come at about 26% spread.
- So, essentially, we have seen a great leasing momentum in the market and our assets have been able to leverage that momentum. And we see that momentum carrying through Q4 and in FY '27 as well. So we remain very optimistic of not just meeting our NDCF guideline for FY '26, and also sort of shoring up the occupancy as we walk into FY '27.
- Pritesh Sheth:** Sure. And on the interest side, it is pretty much in line with what you had expected or you are doing better?
- Neeraj Toshniwal:** Hi, Pritesh. This is Neeraj. So interest side as per projection, we have done better. And as Senthil explained, because the -- the kind of benefit which is flowing in, maybe in the next quarter we will get the full benefit for the entire quarter.
- Pritesh Sheth:** Got it, got it. Coming up for -- a couple of more questions. One on the, you know, revenue growth. While I think committed occupancy has not changed. Sorry, am I audible?
- Senthil Kumar:** Yes, Pritesh.
- Pritesh Sheth:** Yes, Yes. I was asking committed occupancy has not changed much between last year and this year, 90 to 92. But as you pointed out, I think we have done, you know, well on leasing up the contracted, you know, lease -- I mean, we have done better in terms of ramping up the contracted

leases that we had done in terms of narrowing down the gap between actual and committed occupancy. Is that the prime reason of, you know, growth in revenue of 21% since -- Y-o-Y, apart from obviously your 5%-6% of contractual escalation? So if you can break down the revenue growth for me, that would be helpful.

Quaiser Parvez: Yes, so I think -- I think, you know, Pritesh, this is Quaiser. Yes, I, you know, to your point that the occupancy has moved from 90% to 92% and it's sort of remained stable. And again it's a great reflection of not really the demand in the market but it's just a difference in the timing. We have seen you know a very sort of -- some of the deals of the Q3 has moved to Q4 and which is why you know, we think we have a very optimistic and a healthy pipeline for a million square foot.

And most of which will hopefully get converted in Q4 and that that pipeline will convert in a higher occupancy from 92% by the end of March 2026 where we expect our occupancy which should swell to 93% which will have its own impact in terms of our NOI.

Pritesh Seth: Sure and just on you know the 21% revenue growth that we have clocked Y-o-Y, how would you break it down between contractual plus you know ramping up of actual occupancy from last year December to now if you can just put some numbers there?

Senthil Kumar: Pritesh, broadly as Quaiser was explaining the economic occupancy to committed occupancy delta used to be about 9% last year when we were talking about these revenue numbers. And that has shrunk to now 6% gap. So naturally that is a contributing factor in a big way. And second like you rightly said there have been improvements in contractual escalations and mark-to-market rentals. Those are the large three breakups.

Pritesh Seth: Got it, got it. And just lastly on the upcoming expiries, specifically in assets like Exora, One BKC in Q4 and you know status on upcoming expiries in your Lower Parel assets next year and Sattva Global City. So where are the negotiations, how much we have renewed already, some pointers on that. Yes?

Quaiser Parvez: Appreciate the question Pritesh. On the 0.9 million square foot of expiries which is expected in Q4, happy to inform that 42% of that area is already renewed or re-leased. The remaining 0.5 million square foot is under advanced discussion of being re-leased and we believe much of it will happen within the Q4 of this fiscal year or early Q1 FY27. In fact noteworthy here is that all our recent renewals has happened at an average spread of about 28%. So in fact such expiries has a very natural opportunity for us to actualize higher rental and realize our M2M opportunities.

Pritesh Seth: Got it. And for next year?

Quaiser Parvez: And for next year the 1.5 million square foot which is upcoming for expiries we have tied up about 62% of that.

Moderator: Our next question comes from the line of Murtaza Arsiwalla from Kotak Securities.

Murtuza Arsiwalla: Hi sir, just one question, looking at the quarterly sort of occupancies, good to see Lower Parel inching up slowly. But anything to read in the Bangalore assets, we see some of those assets seeing a sequential drop in occupancy. Anything to really read out there? That's one. And second, any update you would like to give on the under construction assets in terms of commissioning timelines, quantum pre-leased, etcetera?

Quaiser Parvez: Sure Murtuza. I will break this in two parts. The Mumbai assets, the occupancy in the Mumbai assets have moved by 100 basis points quarter-on-quarter. And you know from 79% in March it is at 89% today and we feel quite optimistic about the Mumbai occupancy swelling much better in in the next quarter. That being said, in in Bangalore again our blended occupancy is 87%. Our ORR led occupancy is about 89%.

This is clearly a reflection of a market where there is a buoyant demand and particularly on the ORR stretch there is a constraint supply. So we believe the next quarter we'll see a huge recovery in our in our Bangalore occupancy because we have had some of the deals which is pushed through from Q3 to Q4. As regards our under-construction asset, we are in the final stages of handing over this asset.

And we believe that by in the early part of FY27 we should be able to sort of commission it. In regards to the leasing of these under construction asset, there is a large anchor conversation which is underway and we will be happy to report it probably in the in the next two quarters which hopefully will coincide with the onboarding of the asset into the portfolio.

Moderator: Our next question comes from the line of Sumit Kumar from JM Financial Institutional Securities Limited.

Sumit Kumar: The first question is on Cessna, if you look at the revenue from ops for nine months as well as for the quarter, there has been a decline. So what is you know the exact reason for that? What should we read into this decline?

Quaiser Parvez: Is that the only question or is there a second?

Sumit Kumar: And the second would be on Sattva Global City for the sake of being repetitive. I think the quarterly occupancies have gone down. There has been some leasing as well. But I think there is another big expiry in FY27 also. So what is the leasing pipeline there and what sort of conversations are happening at Sattva Global?

Quaiser Parvez: So I'll start with the Sattva Global City. Sattva Global City today has 79% occupancy. The SEZ occupancy is about 83% and the non-SEZ occupancy is about 91%. But that being said, we denotified about 0.9 million square foot in the Sattva Global City and we were able to successfully release 0.7 million square foot out of the 0.9 million square foot.

As we speak, we have a focused asset management plan where we are strategizing on two lines of thought. One is to identify further area within the GVTP Sattva Global City, which will increase the attractiveness of the asset.

And we are also looking at a development pipeline in terms of actualizing that development pipeline within the Sattva Global City. Because Sattva Global City, we firmly believe has critical advantages. Advantages of metro connectivity, advantages of being in the sweet spot of pricing of INR65 to INR70.

And moreover, it is appropriately placed for large IT services firms and universities from BTS opportunities. So while the take up in Sattva City would be gradual, but we think it's almost imminent as we sort of walk into FY '27.

Sumit Kumar: Sure. And on the decline in Cessna, any reason for that?

Senthil Kumar: Hi, Sumit. Hi, Senthil here. Sumit, so if you see the occupancy, there was a marginal dip from 97% to 95% in Cessna during this quarter. So there were a couple of exits. That is the occupancy dip and hence the NOI dip slightly. Yes.

Sumit Kumar: Okay. Okay. Thank you. I'll rejoin the queue if I have more questions.

Moderator: Thank you. Our next question comes from the line of Nilesh Doshi from Prospero Finvest Limited. Please go ahead.

Nilesh Doshi: Thank you once again for providing the opportunity. Sir what is the NAV and what discount rate applied to calculate the NAV sir?

Senthil Kumar: So the NAV is INR118, Nilesh. And the discount rate that we applied is 11.48%. Yes.

Nilesh Doshi: Thanks sir. And sir generally the REIT investor are expecting the average return of 12 to 15% over a period of time and REIT offer the distribution of 6% to 6.5% as a regular income and the balance from the capital appreciation. Is the appreciation will happen due to the increase in income, increase in the income of the REIT or there is a price escalation of the property itself?

And if there is a appreciation due to the price hike of the property, but in the Mumbai area is there a still scope for the further appreciation in the property price or is the 12% to 15% expectation is reasonable or below reasonable?

Senthil Kumar: So Yes, so in terms of the price appreciation it's reflective of the business performance. So if you look at our business, other than occupancy improvement and other positive cash flows which come from year-on-year, there is contractual escalation on the existing business. Right? So naturally the revenue and the margins will improve year on year even if there is no occupancy improvement.

And that is approximately about 5% per year. So without any other effect you will have improvement of 5% in revenues because of the contractual escalation. And that naturally when you discount at similar rates you will have an improvement in the NAV. This is what we call as roll forward from year-on-year.

So that is the return which will ideally should reflect in the price performance. Plus you talked about the 6% to 7% in distribution yield. So together the total product return should be in that range that you mentioned approximately 12%-13%.

Nilesh Doshi:

Sir, my question is that can we increase the rent only because there was a renewal of the rent agreement or because of the price of the property itself increase and we are earning the money out of that that property and the property price itself increase in that area, so we can increase the rent. Escalation can happen and but in Mumbai area do you think really that BKC or any other area there will be, there is a still scope for the price appreciation of the property?

Quaiser Parvez:

So sir I'll answer that question. My name is Quaiser Parvez. So our in-place rent 9 months back was INR90 which was an average of the whole portfolio rent. That in-place rent has moved from INR90 to INR95 as against the market rent of INR118 and that difference is really the mark to market opportunity.

So clearly we are able to actualize some of the opportunities in the mark to market segment. Again in the 1.6 million square foot of new leasing which we have done, 6%, it has -- we have done a 6% premium to market which means we have rented above 6%, 6% more than the market rents.

And when the renewals also has happened or of re-leasing the vacant spaces, that has come at a 26% spread. So yes to your point -- we have been able to realize the market rent and so much so that in in some cases we have been able to get 6% to 7% more than the market rents.

Nilesh Doshi:

Okay, okay. Thank you, sir. That's all from my side. Thank you.

Moderator:

Thank you. Our next question comes from the line of Parvez Qazi from Nuvama Group. Please go ahead.

Parvez Qazi:

Hi good afternoon, thanks for taking my question. So I have two questions. First on our debt composition, I mean the fixed portion of the debt currently is about 13% odd. Wanted to get your views on are we looking to maybe lock up more portion at current low rates which are prevailing? And the second is your views on the recent MAT amendment in the budget would be great? Thank you.

Neeraj Toshniwal:

Sure Parvez. This is Neeraj, I will take this question. So we are watching very closely this interest movement. And at the opportune time we will plan to move a portion of our debt into fixed bucket. And the key point is in our portfolio 65% is linked to repo which looks very stable at least in FY27 also at least in first half it looks stable.

So as I said that opportune time we will flip into fixed bucket. And regarding the MAT, we have recently listed and we do not expect significant impact on our portfolio from not carrying forward the MAT credit. Having said that, we are currently in discussion with our tax advisors to assess the details and probably will share the outcome later.

Parvez Qazi:

Sure. Thanks and all the best.

- Management:** Thank you.
- Moderator:** Thank you. The next question come from the line of Tanveer an Individual Investor. Please go ahead.
- Tanveer:** Yes hi sir. Am I audible?
- Management:** Yes, you are.
- Tanveer:** Okay. Sir so quick question is that around organic and inorganic growth, we have peer REITs that are acquiring properties and also stepping into the sector of data centers. Also the budget now has lot of incentives for data centers. And I can see LTV is you know pretty low around 19% or so. So we have that room. So what are your plans on doing any organic or inorganic acquisitions?
- Shirish Godbole:** So we are actively seeking looking out for acquisitions, right? And we are looking at every opportunity that is out there. But we are being disciplined. So we are just trying to make sure that we make accretive acquisitions and to that extent just because an opportunity is out there does not mean that we will just go out and make that acquisition.
- Also we just listed in August. So some of the transactions that you have mentioned have been in the works for the while, right? So we kind of got in August, we have then started looking at acquisitions. So it just takes time for opportunities to really get set up and for us to actually execute and execute at reasonable levels.
- So keeping that in mind we will let you know if there is acquisition obviously down the road, but we are out there, we are looking at the market and we will come back to you if there is obviously an acquisition that makes sense that we will want to pursue. In terms of data centers, it is obviously a opportunity, it is a very clear opportunity. It is a very different asset profile.
- So given again that we have recently listed, our focus is very much to keep to our core and our core is institutional office. And so that is what we are going to sort of focus on, that is what we are going to pursue and that the data center business over time we will review, but at today's point there is no intent to acquire something like that.
- Tanveer:** Do you have anything on the -- in the in the pipeline right now that you all are evaluating in terms of assets?
- Quaiser Parvez:** I will take that. My name is Quaiser. So we have -- we have a strong pipeline. There are -- there are several assets which we continue evaluating. We have -- we are sort of very happy to report that we have 100% coverage in making sure that we are well aware of what is available in the market. But again the guardrails of evaluating any asset continues to be fundamentally driven by the fact that it has to be NAV accretive and DPU accretive.
- More importantly in terms of what market they are in, what submarket they operate in and particularly the quality of the assets. Just touching briefly upon some of the organic growth

levers which is available in the portfolio is number one the portfolio has a inherent sort of wide margin in terms of the mark-to-market opportunity which is 20% to 22%.

In addition to that we have 1.2 million square foot of development asset which will be getting added. But more importantly we also have a ROFO pipeline of 6.7 million square foot which will crystallize in the next two to three years. So essentially the way to think about this that we -- while we while we look at the market with the corner of our eye very, very diligently, we also have a strong levers of growth available organically within the portfolio.

Tanveer: Okay, great. Thank you so much.

Moderator: Thank you. Ladies and gentlemen, anyone who wishes to ask a question may press star and one on their touchtone telephone. Ladies and gentlemen, anyone who wishes to ask a question may press star and one on the touchtone telephone. Ladies and gentlemen, anyone who wishes to ask a question, please press star and one on their touchtone telephone.

Management: Moderator, if there are no other questions, we can conclude the call.

Moderator: Perfect. Thank you so much, sir. Thank you, members of the management team and thank you to all the participants for joining the Knowledge Realty Trust Q3 of FY26 Earnings Conference Call. If you have any further queries, please reach out to the Investor Relations team. On behalf of Knowledge Realty Trust, we conclude today's conference call. Thank you for joining us and you may now disconnect your lines.

Shirish Godbole: Thank you.

Management: Thank you.