



**“Knowledge Realty Trust
Q1 FY27 Earnings Conference Call”
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Moderator: Ladies and gentlemen, good day and welcome to Knowledge Realty Trust Q1 FY27 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, Senior Vice President, Investor Relations, Knowledge Realty Trust. Thank you and over to you, Mr. Senthil.

Senthil Kumar: Thank you. Good evening to everyone joining us today. On behalf of the management team, I would like to extend a warm welcome to all participants of Knowledge Realty Trust Q1 FY27 Earnings Call. Before we proceed, a couple of important disclosures. I would 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, our CEO, and Neeraj Toshniwal, our CFO. We will start off with brief remarks on the macro environment, our business 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 joining us for our Q1 FY27 earnings call. We start the new financial year against a backdrop of continued global uncertainty. However, India's office market has once again demonstrated its structural resilience, anchored by GCC expansion and Grade A demand.

Office absorption reached 44 million square feet during the first half of calendar year '26, with GCCs contributing 44% of the demand. Coming to KRT, we enter FY27 with strong operating momentum. Revenue and NOI for the quarter grew 15% year-on-year to INR1,243 crores and INR1,112 crores respectively.

We are also pleased to announce a distribution of INR1.7 per unit for the quarter, aggregating to INR752 crores, a strong 5% growth from the previous quarter. Turning to our operating performance, occupancy increased to 93%, up from 92% last quarter. This was driven both by front office demand, which contributed over 50% of our gross leasing.

We completed new leasing of 0.7 million square feet and renewals of 0.7 million square feet as well, taking total gross leasing for the quarter to 1.4 million square feet. We continue to pivot our portfolio to annual escalations to create a compounding rental growth profile. During the quarter, 93% of our leasing had annual escalations.

Our occupier-first strategy has resulted in client stickiness and multifold growth by our existing clientele. We are happy to inform that 58% of our new leasing this quarter came from existing tenant expansions. Interestingly, these tenants come from varied sectors: a leading semiconductor firm, one of the largest lens makers, the largest travel tech firm, and a large Indian bank. We have highlighted the details in our investor presentation.

Given the ongoing market conversations around AI's impact on office demand, I would like to highlight how KRT's portfolio is resilient. We have three strong levers: our GCC exposure, where occupiers are increasingly taking on higher value, more complex work; our negligible exposure to the traditional IT services model, which is where the disruption is perceived to be the most; and our front office portfolio, which continues to perform strongly.

Our front office portfolio in Mumbai represents some of India's finest business addresses occupied by global consulting firms, multinational corporates, as well as headquarters of major Indian conglomerates. Our Mumbai occupancy reached 92%, up 3% from last quarter. This was primarily driven by our Central Mumbai cluster, which reached 93% occupancy, up 14% since March 2025.

Coming to our mark-to-market potential across the portfolio, it is a sizable 25%, and we continue to realize this upside every quarter. For instance, this quarter, we realized an average spread of 35% on new leasing and 29% on renewals.

Early terminations in our portfolio presented further repricing opportunities over and above the embedded mark-to-market profile. For instance, in Knowledge City in Hyderabad, we signed 44,000 square feet with a marquee global financial services occupier at INR122 a square foot, where the in-place rent was INR80.

Likewise, in Exora in Bangalore, we signed 85,000 square feet with a large technology GCC at INR93 per square foot, where the outgoing rent was INR59.

On the ground, our Life at KRT platform continued to bring our campuses to life through sports, wellness, and cultural programs across the portfolio. It was a busy quarter with a corporate sports league and International Yoga Day celebrations at Sattva Global City in Bangalore, an indoor sports league at Kosmo One in Chennai, and a Pickle and Padel ball tournament in One World Center in Mumbai. This continued investment in hospitality-led service and tenant experience remains a deliberate driver of retention and, over time, pricing power.

As we look ahead, our embedded growth levers remain firmly in place, contracted growth from escalations, embedded growth from occupancy ramp-up, delivery of under-construction assets, and sizable mark-to-market potential.

We also remain active in evaluating third-party acquisition opportunities that are accretive and aligned with our portfolio strategy. We continue to see growing recognition from the analyst community, and as we approach our first anniversary as a listed REIT, we remain confident in our multi-year growth story.

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

Neeraj Toshniwal:

Thank you, Shirish, and good evening everyone. KRT delivered strong and consistent financial performance during the first quarter of FY27. Revenue grew 15% year-on-year to INR1,243 crores and NOI also grew 15% year-on-year to INR1,112 crores. NDCF for the quarter was

INR752 crores, translating to DPU of INR1.7 per unit. 84% of the distribution for the quarter is tax-exempt or tax-deferred in the hands of unitholders.

On the balance sheet front, we continue to optimize our financing profile. During the quarter, we raised INR500 crores through commercial paper and INR600 crores through non-convertible debentures at a blended rate of 7.2%. From our listing less than a year ago, where we had 0% fixed rate debt, we have now reached 30%.

We will actively monitor the interest rate environment and calibrate our financing activities in line with market opportunities. With a strong balance sheet, low leverage, and healthy operating cash flows, KRT remains very well positioned to pursue future growth opportunities while continuing to deliver stable and predictable distributions.

With that, I'll 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: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Girish Choudhary with Avendus Spark. Please go ahead.

Girish Choudhary: Yes, hi. Congratulations on the strong quarter and thanks for the opportunity. A few questions. Firstly, if you could talk about the occupancy, right? The committed occupancy is 93%, but if you could just give us some details around what's the actual occupancy and when can we see the gap between the committed and the actual occupancy to sort of play out in the coming quarters?

Senthil Kumar: Anything else you have, Girish?

Girish Choudhary: Yes, and second is on the DPU trajectory. This quarter we had close to 1.7 per unit, right, which is 5% sequential growth. So if you could also give us the trajectory, quarterly trajectory from here on and what would be the drivers, right? And third, one on the Bangalore portfolio, where we are seeing the portfolio, I mean the occupancy is below the portfolio average, right? And especially if you could comment on the Exora where we have seen decline in occupancies, revenue. So what's the outlook there? So these were my questions.

Senthil Kumar: Great. Thanks, Girish. Senthil here. So on the economic occupancy front, at the end of the quarter, we were 87% and as of current date, we are 88%. So the gap with committed occupancy is about 5%. And you're right, there is a gap which is little higher than normal. The gap is primarily due to two large clients, right? One is a Fortune 500 company in Knowledge Park in Hyderabad. This is an occupier which occupies almost a million square foot with us, but his condition for taking up the space was to have him allow him a staggered take-up, right? And he's been taking space further.

So his economic occupancy has also increased, but he still has about 200,000 square feet for which the rents will start over the next two quarters, Q2 and Q3. That is one reason. And second is another education client in Global City, right? Again, he today occupies about 600,000 to 700,000 square feet, which was actually about 100,000 square foot two years ago. So large ramp-up. And this being an education institution, usually they also need us to declare a building fully to them and they want to use it fully, but the take-up of students is usually a staggered take-up, right?

So there also we had committed to the space and the rentals are gradually coming. In that case also, in the Q3 and Q4 of this year, we would have another 1% bridge from that and another 0.5% to 1% bridge from the Hyderabad one. With that, we will get to about 3% delta by the Q4 of this year. That will be the normalcy, right? And in terms of the DPU trajectory question, I mean, obviously we don't make any guidance, Girish, you know that, but I would say that given the IPO is less than a year old, we have the RHP and the documents available there to see the numbers and we will pretty much be on track with those numbers.

That is on the DPU trajectory. And you had a question on the Bangalore portfolio. You're right, our Bangalore portfolio is being at about 87% occupancy, a 13% vacancy, which is about 2

million square feet. And 1 million of that is from Outer Ring Road and then 1 million is other regions, right?

On the 1 million square feet Outer Ring Road, as you know, that's one of the best markets in the country and we are confident of getting that back up. In terms of breakdown within Outer Ring Road, and you mentioned Exora actually, so there are two assets largely: one is Cessna and then one is Exora. In Cessna, we have about 200,000 square feet, which is the only vacant area there, which we have just applied for demarcation.

There we have good demand coming in from our existing tenants as well as new clients. So that we will be filling up quite soon. And in Exora, you're right, there was a big dip of about 15% in occupancy in the last quarter. That was due to a client called Juniper. They got acquired by HP globally in a large deal. So that led to a dip, but then we've got that occupancy back up.

So that is today from 78% last quarter, we are at 82% in Exora, right? There the interesting thing is Juniper being one of the earlier anchor tenants, they exited at a INR60 rental, right? And we've got like INR95 today. So there's a huge repricing opportunity, which is not even in the MTM, right? So that is also another factor.

So hence Outer Ring Road, we are obviously good. And second 1 million square feet, of which about 800,000 square foot is in Global City, right? In Global City, again, during this quarter, 300,000 square foot demarcation is done, we've got the approval. And there I would like to say Global City was 81% occupancy, right? Of which if you see the non-SEZ occupancy, it was 93%, right? And the SEZ occupancy was 75%.

So the weighted average was lower. But now that we've demarcated this 300,000 square foot, which is almost 7% of Global City, we are getting good traction from both existing clients as well as newer clients, as you know it's a non-SEZ now. So we have good traction there. So overall, you know, Bangalore with these improvements in the Outer Ring Road as well as the Global City portfolio, we should see ramp up in the next two, three quarters. Is that okay Girish? Anything else?

Girish Choudhary: Great, great. Yes, I mean, thank you so much, Senthil, for the detailed answers and wish you all the best.

Senthil Kumar: Thank you.

Moderator: Thank you. Next question comes from the line of Murtuza Arsiwalla with Kotak. Please go ahead.

Murtuza Arsiwalla: Yes, hi. Just a question on, you know, some of the under-construction assets, 1.2 million square feet. How much of that has been pre-leased currently? And while you already spoke about Exora in one of the assets, I mean, you have done a great job with the Lower Parel assets, but One BKC has seen some drop. Any visibility on ramp-up of occupancy at One BKC?

Shirish Godbole: So Murtuza is it? It is, right?

Murtuza Arsiwalla: Yes, yes, it's Murtuza.

Shirish Godbole: So, you know, the under-construction assets, we are in the market right now and, you know, while we can't put a number on it right now, there is a number of active dialogues and discussions going on with tenants. We expect those assets to come online, you know, before the end of this fiscal and as this quarter progresses and going into next quarter, we'll, you know, have more updates for you on exactly how much is being leased up. But, you know, they're in good markets, strong assets, we expect, you know, positive momentum and lease-up of those assets, Murtuza.

And then in One BKC, you know, a similar story, right? I mean, I think the market is strong, it is obviously a very good asset. We had, you know, one tenant unfortunately that sort of moved on and that is where we have had the vacancy. And the good news is that their tenant, I mean, that rent was at INR320, right?

And as you know, the market is much, much higher than that. So as and when we lease up, we will get to a much higher number in terms of their new rent. Again, various dialogues in play, small as well as large tenant discussions underway. And as things progress, which will happen this particular quarter, I think, you know, we'll keep you apprised, Murtuza. I think that's the short answer, I guess.

Murtuza Arsiwalla: Alright. Thank you so much.

Moderator: Thank you. Next question comes from the line of Mohit Agrawal with IIFL. Please go ahead.

Mohit Agrawal: Yes, thanks for the opportunity. My first question is on the leasing outlook. You know, we've talked about the AI impact and the discussions around that, but in the near term because of the geopolitical situation, has anything been impacted in the short run in terms of the closures or any delays or anything? And do you see that impacting any of your markets in general, the GCC demand or IT services demand, you know, in the first quarter maybe or in the second quarter?

Shirish Godbole: Yes. So let me take that. This is Shirish. You know, the short answer to your question is that there's been minimal, if any, impact negatively, right? If anything, arguably, you know, the demand is strong/stronger and not only, you know, from a GCC and a tech standpoint, but, you know, if you look at our front office leasing this particular quarter, I think it answers your question, right? We've had a strong performance also in the front office and our Mumbai portfolio, you know, has moved up from 89% to 92%.

So 1.4 million square feet leased in the first quarter. So if you just sort of look at our last year's numbers where we had 3.5 million square feet across the year, you know, we've had 40% leasing done in the first quarter, right? So obviously the momentum is good. While there is noise and talk of delays and impact, etcetera, on the ground, the performance remains strong. You've seen some of the brokerage houses coming out with numbers which also point to that. And this particular performance, I mean, you know, right in the middle of, you know, some of the talk of the war and AI, etcetera, could not have been stronger in our mind.

And so, we're quite confident that the market outlook remains good. Yes, there will be some tenant here and there who might think about you know, signing a little later or earlier, right? But

if you just step back, the demand in a real estate decision is not like a short-term decision. Typically, it's a very long-term decision, right?

And so, you know, that intent and the decision to stay, I think, in India and grow in India has continued to be there. Whether it goes a week here or there, you know, sort of obviously depends from tenant to tenant. But the performance that we've shown in the first quarter, I think, is indicative of what's happening in the market, right?

That obviously there are enough tenants making that call, making that decision and actually signing leases, whether it's renewals or new. So, I think that answers the question. The numbers answer the question.

Mohit Agrawal:

Sure. So just to summarize, I think you're saying even if there is an impact, it's a transient impact and probably things will come back. You know, you've mentioned about the Mumbai portfolio. I just had one clarification. We have significant expiries coming in this year as per presentation. When is those, when are those expiries going to be there and are there any discussions, you've already reached 93%, 94% committed occupancy, are there any discussions, you know, pre-leasing discussions or anything that you're already having and any update on that? And by the end of the year, you know, the Mumbai Lower Parel assets, where do you see the occupancy levels stabilizing?

Senthil Kumar:

Yes, Mohit, Senthil here. So, on the expiries front, yes, we have a couple of large active discussions, like in One BKC we have a very large discussion going on, pretty much handshake done. So that is about, you know, almost like 15%, 20% of our portfolio. So, with that, we really will not have any expiries for the next two to three years.

And in fact, surprisingly, over 90% of our portfolio will be locked in too because what we've deliberately and strategically done is to have renewals completed, probably hopefully longer lock-in and stuff. So that way it's intact on the this front. So, we are locked in. And Lower Parel, very similar. One more large contract that we are talking to, again there also it's pretty much done, a large consulting company, right?

With that there too expiries will be taken care of. And again, from a lock-in perspective, interestingly similar story. As you know, Bombay itself is a five-year sort of lease, right? Of which almost three, three and a half years is locked in. So that way this strategy of having regular escalations, you know, renewals and you know, annual escalations has helped us to sort of secure these contracts.

Shirish Godbole:

Yes, Mohit, the thing I would add is, you know, the momentum continues to be there, yes. So when we look at the first quarter and the performance there in sort of, you know, Mumbai and then going into the second quarter, the momentum stays strong. Our, you know, Lower Parel performance I think is going to be very, very good. And I see several percentage point pickup further from where we are right now in Lower Parel by the end of this fiscal, right?

So, I mean, we don't want to put a number on it, but I mean, you know, we're doing, we're doing well and I think it'll grow further, which is, I mean, which is very positive, I guess, when you look at it. Yes.

- Senthil Kumar:** And just to add, Mohit, I think the only other thing at a portfolio level if you see what is left back in expiries is about 1.1 million square feet in the next nine months, right? Out of which we have already renewed about 40% of that, right? So only the remaining 60% for the next nine months. So that is also sort of comfortable for this year.
- Mohit Agrawal:** Okay, that's great. And these escalations you're seeing are all annual, right? Incrementally you are doing all annual escalations.
- Shirish Godbole:** Yes, 93% of the leases signed last quarter were annual escalations.
- Mohit Agrawal:** Sure, great. That's all from my side. All the best. Thank you.
- Shirish Godbole:** Thank you.
- Moderator:** Thank you. Next question comes from the line of Pritesh Sheth with Axis Capital. Please go ahead.
- Pritesh Sheth:** Yes, thanks for the opportunity and congrats on a good leasing performance. Just, you know, in terms of the new leases that we signed in One World, One Unity, our Lower Parel assets, just trying to get a sense of the rentals that we are clocking there, you know, and how much away they are in terms of the market rentals that, you know, we've reported. And second, also on the Mindtree renewal that we did in Global City this quarter, you know, if you can highlight the rentals or the spread there in terms of what we've achieved there? So that's my first question. Yes.
- Senthil Kumar:** So, thanks, Pritesh. Pritesh, so on Mindtree, we'll take that up first. So Mindtree was at like INR45 before, and we've renewed it at INR59. So that was a healthy 30% spread. That was about 400,000 square feet, right? And then coming back to Lower Parel, Lower Parel rentals again vary across assets as you know. It ranges from INR220 to INR256, right? So, we've done above market in all these three assets, but it's marginally above market, not significantly above market.
- Shirish Godbole:** Yes, but I mean, I mean, just to give you some color, right? Last year, our marginal rentals were in Central Mumbai portfolio were INR232, the marginal rentals, the new rentals being signed. And you know, this first quarter, the average rent there was INR246, right? So that's, that gives you an indication. INR246 for Lower Parel, average.
- Pritesh Sheth:** Got it, got it. I think that's very clear. Second, in terms of growth beyond FY28, now I mean we are gradually catching up on occupancy, we have a couple of under-construction assets coming up this year which will contribute to growth next year. But any color you can provide on the ROFO assets which can be offered, you know, and will contribute to growth beyond FY28?
- And the third-party acquisitions as well, what sort of expectations etcetera, are there on market because now there is a very tight competition with, you know, these wealth platforms also coming to buy these yielding assets, right? So, cap rates have gone pretty low. On that backdrop, you know, how should we think about third-party acquisition as a growth opportunity for us? Yes.

Shirish Godbole: So, number one, I mean, first of all, let's not forget even within the portfolio there remains, you know, opportunities, right? Like you said, yes, 93 will go up to 94, 95 this year, next year, and you are looking at '28 and beyond. So, there is embedded growth with the fact of escalations, the fact that we are 25% below market. So, the existing portfolio will continue to churn out growth, right? Some growth. That's one.

Two, we have a 1.4 million square foot development that we've already commenced in Bangalore, right? At Global City, which will get delivered in '29. So, you know, we are already looking at some growth coming from there, 1.4 million square foot under development. We have four assets which are ROFO assets, but you know, those are sort of around '29, and you know, thereabouts which we will expect them as well.

But there are 6 million square feet through four ROFO assets two in Bangalore, one in Chennai, one in Pune coming from Sattva. And then, you know, finally, although it's not quite a ROFO, but you may recall that we were, you know, having this asset called Image Tower, which is a 1.6 million square foot asset in HITEC City, Hyderabad. Great location as you are aware, great market, and that is completing construction next year.

It had to be taken out of the portfolio at the last minute as you may recall, and once it gets delivered, that'll be offered to the REIT as well in '27. So that is a nice addition to the portfolio. And then on top of that, sort of going to your acquisitions question, you're absolutely right. You know, there are wealth advisors and others out there with funds. And you know, I think as the manager of India's largest REIT with, you know, sort of Class A assets, Class A locations, you know, we're going to be choosy, right? We're going to do the right thing.

We have tremendous firepower as you know, our leverage is very low. So, it's not a question of not having dry powder, but you got to find the right assets at the right price. So, if it doesn't come immediately, you know, you got to be a little patient and look. '28, '29 is a long way away. We are quite confident that before that, we will have several acquisition opportunities come our way. We're very much in the market.

And as we look at the next 12 to 24 months, definitely expect acquisitions from us. And therefore, when you combine the ROFO/Image Tower, the acquisitions, some of the development, and then the embedded growth within, I think it's a strong sort of growth potential going forward.

Pritesh Sheth: Sure, thanks for that detailed answer. Helpful and pretty clear. Thank you. All the best.

Shirish Godbole: Thank you.

Moderator: Thank you. Next question comes from the line of Kunal with Bank of America. Please go ahead.

Kunal: Great, thanks. A couple of questions from me. Shirish, initially you gave two examples which seem to indicate that pricing is benefiting not just from the mark-to-market potential but also seeing an increase on the marginal rates. So any color as to how widespread is this?

Is it mainly in, you know, micro markets where occupancy levels might be above a particularly high threshold? And if you could hazard a guess as to what could be the sort of annual pace of increase on marginal rates over the next couple of years? And then there's one more question after that.

Shirish Godbole:

Yes. So I mean, as you said, it has been a strong performance, right? The mark-to-market has been impressive, I think, biased of course, but it's been strong. And it really varies by location. So it's really hard to put a number per se. You know, you look at Lower Parel and the performance we've had as I mentioned the 246 number.

I mean, just to give you a sense, that's gone from 183 to 230 last year to 246 this first quarter, right? I mean, those are marginal rents on that basis each year. But that's a significant performance over the last 2 years, that's over 30% or thereabouts. Now, whether that'll continue going forward, obviously that's not going to be the case, right? We've had a secular run. So it's hard to predict.

The other thing that's going on, Kunal, is, you know, there's a clear sort of move towards Class A properties, right? So what's happening is our portfolio with Class A assets is benefiting from this trend where there might not have been a net absorption into the market, but we've had absorption because people have moved from inferior buildings, maybe inferior locations, or B locations, I would say, to sort of A markets and A locations, A assets, right? So that trend is also playing out.

As you look forward, I mean, we're clearly expecting decent growth. I don't know whether I want to put a number on it and just say whether it's X percent or Y percent sort of going forward. We see continued momentum even this quarter as we're looking at numbers, deals. When you add sort of the demand from the tech side and also what's happening in the front office, we feel good, but I would hesitate to put an exact number sort of say 10%, let's say, rental growth. I don't know whether it's exactly that there, but it's definitely seeing momentum and demand is strong.

Senthil Kumar:

Also, Kunal, just to add, I think in terms of our projections, we have an expiry schedule. If you see that if market remains at the regular projected 5% escalation on market rents, then we still have about average of 26% spread projected for the next 4 years, right? And then every year we are about 6%-7% of rentals expiring. So that gives you the mark-to-market opportunity on an average. Yes.

Shirish Godbole:

And you take a market like Hi-Tech in Hyderabad, right? That's been very strong. So there the numbers are off the charts in terms of what rents we're seeing right now.

Kunal:

Absolutely. And thank you, that observation is just the spirit of the question because on one side we keep on sort of worrying about the impact to demand from AI and then, the results produce an increase to marginal rates. So which is why I was wanting to see if there's any extra color.

Shirish Godbole:

Yes, and you're absolutely right, Kunal, and I think that's the point to take away, right? While there's been a lot of noise in the markets about the war and AI, etcetera, I think we've come out strong in that first quarter with, you know, I think positive strong numbers and that suggests and

indicates that the office market in India continues to be resilient in the context of some of the headwinds we've had.

Kunal: Got it. Great. And just any quick thoughts on where would you want your ideal floating to fixed rate to be, let's say in the next 6 to 12 months?

Shirish Godbole: So, we've moved towards 30% as Neeraj pointed out. And we want to try and take it further up. It really is very, opportunistic is the word. Would we try and move towards 40%? Obviously we would. And I think at some point would we try and move even higher depending on rates? The answer is also yes, right?

So I think we're just going to monitor it as it goes along and as we get pockets of times when Mr. Trump decides that he's going to be light on the whole war situation, rates come in handy, we might use that time to try and lock in some rates.

Kunal: Makes sense. Absolutely. All right, thank you so much.

Moderator: Thank you. Next question comes from the line of Sumit Kumar with JM Financial. Please go ahead.

Sumit Kumar: Hi, good afternoon. Thanks for the opportunity. My first question is on the distribution mix. Obviously we've seen the tax-efficient part coming down a bit. So could you please guide us on the steady-state number as to what part of the distributions would be dividend going forward?

Senthil Kumar: Yes, thanks, Sumit. Sumit, so for this quarter you've seen the numbers. It's over 50%, right? So it's around 54% is dividend and then the total tax-efficient portion is 84%. So going forward I mean, at least for this year, full-year basis, we will have approximately 80% as tax-efficient portion, plus or minus 1%. And then dividend should continue to be over the 50%, right?.

So the reason it is going down is obviously because like Shirish and Neeraj mentioned, we are raising debt at the REIT level, right? We almost have INR5,000 crores of debt at the REIT level. Now all that debt actually gets pushed down to the SPVs at higher inter-corporate rates. And that means there is higher interest expense for the SPVs, which means, the dividend component slightly goes down and at the same time there's some savings on tax, but overall the dividend component goes down, and the interest income goes up. That's the reason it'll happen over a period of time.

Sumit Kumar: Okay. And just one question more on the tax outgo. The cash tax outgo has increased a bit sequentially. So any one-offs or what's the reason that you may like to highlight?

Neeraj Toshniwal: Yes, Sumit, Neeraj here. So in last quarter there were tax refunds, so we have distributed part of the tax refunds. Otherwise normally, the tax is in the range of let's say 11% at EBITDA levels or so.

Sumit Kumar: Okay, understood. One last question if I may to Shirish. Sir, where do you see your end FY27 occupancy with the strong pipeline you have? Would we see it closer to the steady-state number of about 95%? Is that a fair assumption to make?

- Shirish Godbole:** So I mean, we are not going to provide official guidance, but the answer obviously is we're already at 93% and yes, we are moving towards that kind of a target. I mean, that is clearly the goal, and the momentum is definitely there.
- Senthil Kumar:** And Sumit, just to remind you, so this is same-store basis, right? So we'll have growth on this 93% and then we are also adding a couple of under-construction assets. So depending upon the pre-leasing percentage there, but still like Shirish says, we should be 94%-95% is what we expect.
- Sumit Kumar:** Okay. That's all from my side. Very helpful. Thank you and all the best.
- Shirish Godbole:** Thanks, Sumit.
- Moderator:** Thank you. On behalf of Knowledge Realty Trust, that concludes this conference. Thank you for joining us. You may now disconnect your lines.