

Indiqube Spaces

13 August 2026

Operator: Ladies and gentlemen, good day and welcome to the Q1 FY27 Indiqube Spaces Ltd. conference call hosted by JM Financial Services. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touch-tone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Saurabh Gilda from JM Financial Services. Thank you, and over to you, sir.

Saurabh Gilda – JM Financial Services: Hi. On behalf of JM Financials, I welcome you all to the Q1 FY27 earnings call of Indiqube Spaces Ltd. From the management team, we have with us Mr. Rishi Das, CEO; Ms. Meghna Agarwal, COO; Mr. Pawan Jain, CFO; Mr. Vikas Agarwal, Head of IR; and Mr. Vamshi Chatrapati, AVP Marketing. We would now like to begin the call with opening remarks from the management, after which we will open the forum for an interactive question-and-answer session. Thank you, and over to you, Rishi and Meghna.

Rishi Das – CEO: Thank you, Saurabh. Good afternoon, everyone, and thank you for joining us for the Indiqube Spaces Ltd. Q1 FY27 earnings call. Our earnings presentation has been uploaded on the stock exchanges and on our website, and we trust you have had the opportunity to go through it.

Q1 FY27 marks a very strong start to the year, with IndiQube delivering its highest-ever quarterly revenue of 428 crores, representing growth of 37% year-on-year. This strong revenue performance was accompanied by healthy growth across profitability metrics. Our EBITDA increased by 34% to 87 crores. EBIT grew by 59% to 55 crores, while our PAT increased by 91% to 35 crores.

What is equally encouraging is the quality of this growth, with profitability strengthening as we scale. EBIT margin improved to 13% in Q1 FY27 from 11% in Q1 FY26, while PAT margin expanded to 8% from 6% during the same period last year. EBITDA margin remained healthy at 20%. Together, these metrics demonstrate the operating leverage inherent in our platform and our ability to translate growth in scale into stronger profitability.

On the operational front, we continued to expand our portfolio at a healthy pace. During the year, we added 1.91 million square feet to our area under management, and we launched 17 new centers. This expansion continues to be guided by our follow-the-talent strategy, under which we build high-density workspace clusters in talent-rich micro-markets where enterprises are looking to establish and expand their operations.

Importantly, the strength of our platform is also reflected in the quality and composition of our customer base. As of June 2026, we catered to 855 clients across a diverse mix of global capability centers, Indian conglomerates, unicorns, and high-growth startups. GCCs contributed 53% of our revenue during the quarter, and multi-center clients, meaning clients who have taken more than one center, accounted for about 41% of our revenue. Nearly 90% of our occupants come from clients who have taken more than 100 seats.

These indicators clearly reflect the large-scale, long-stay, and enterprise-focused nature of our portfolio. They also demonstrate our ability to grow alongside our customers as they expand across

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cities and micro-markets in India.

Alongside growth and profitability, sustainability continues to remain a very important pillar of our strategy. Nearly 30 megawatts of solar capacity is already operational, comprising capacity from our solar farms in Karnataka and Maharashtra, as well as rooftop installations across the country. These initiatives are an important step towards our long-term ambition of transitioning the IndiQube portfolio to 100% green power.

If we reflect back, the last decade was about building and evolving IndiQube. We expanded from Bengaluru to multiple cities, progressed from managed workspaces to an integrated managed spaces platform, broadened the range of services we offered to our customers, and transitioned from being a private company to becoming a listed institution.

The next phase for us is about compounding what we have built. We believe the combination of our geographical expansion, deeper customer relationships, a growing contribution from value-added services, strong operating leverage, and our sustainability initiatives creates a solid foundation for the next phase of IndiQube's growth.

With that, I will now hand over to my co-founder, Meghna Agarwal, who will take you through the key business highlights for the quarter. Thanks.

Meghna Agarwal – COO: Thank you, Rishi, and good afternoon, everyone. Firstly, I would encourage everyone to spend some time going through our annual report, which is available on our website. I believe it provides a much better understanding of how IndiQube is evolving into an integrated managed spaces platform.

That evolution is reflected in the breadth of our offerings. The first is Grow, our core managed workspace proposition. DesignQube is the rebranded version of Bespoke. It enables us to participate in the design and creation of workspaces, giving us a larger role in the customer's workspace journey. IndiCare is the rebranded version of IndiQube One, allowing us to address broader operations, employee experience, and facility requirements. Importantly, we are also extending the IndiCare proposition into retail, where we see a significant opportunity to manage end-to-end stores and branches. Eco helps customers build more sustainable and energy-efficient commercial spaces.

When you look at these offerings together, the opportunity becomes much larger than simply adding more square footage. We have consistently said that we intend to add close to 2 million square feet every year, and we remain committed to that growth trajectory.

What is also changing, however, is what we can do with every square foot we add and every customer relationship we build. As DesignQube, IndiCare, and Eco scale up, we expect VAS to become an increasingly important component of our revenue mix. Our VAS contribution has grown from 12% to approximately 15% and is currently around 17% of our total revenue. We expect this contribution to increase further over time.

For us, the important point is that these opportunities allow us to create more value from the capabilities and platform we are already building. When we look at these offerings together, the

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opportunity becomes much larger. Going forward, our growth will come from both expanding our managed workspace footprint and increasing the range of services we provide to each customer.

Ultimately, our ambition is to become the total outsourcing solution for commercial spaces. That is the IndiQube platform we are all building. With that, we look forward to addressing your questions during the Q&A session. Thank you.

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

Shmit Asher – Ambit Capital: Hi, thanks for the opportunity. I have a couple of questions. You have reiterated your guidance of 2 million square feet of area addition annually. However, if we look at Q1 FY27, there has been no change in your operational area addition. How do you think the remaining supply additions will be distributed across Q2 to Q4 to meet this guidance? Are you seeing some sort of slowdown in supply or increased competition?

Secondly, on VAS, you recognized 39 crores as one-time VAS revenue this quarter. What led to the jump in one-time revenue, and how do you see this segment on a steady basis for the remainder of FY27?

My last question is on solar. I think you can take the first two questions, and then I will take the third one.

Meghna Agarwal – COO: Thank you, Shmit. I will try to answer the first two questions, and it will be a mix, so I will try to combine everything.

When you asked why there was no increase in the rent-paying area, just to give you an idea, as you rightly said, we have added close to 2 million square feet annually, which translates to approximately 44,000 seats per year. We definitely intend to continue operating within the same range going forward.

However, our expansion in the rent-paying area is on an annual basis rather than on a quarter-on-quarter basis because the timing of new center additions can vary significantly from one quarter to another. In H2 FY26, we added approximately 1.14 million square feet. Therefore, the sequential movement in the rent-paying area this quarter appears relatively flat.

As we progress through the current year, you will see additions in the rent-paying area increasing and reaching close to 2 million square feet. Overall, on an annual basis, we will be as per our guidance, and we are seeing no slowdown here.

We already have a headroom of about 3.9 million square feet, which is approximately 97,000 seats, already signed and in the kitty. In that way, we are absolutely fully covered in that area.

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On a quarter-on-quarter basis, as I said, there will be certain changes because of the timing and ramp-up of the building. In terms of occupancy as well, we would maintain 80% to 85% occupancy at the corporate level and 85% to 90% at mature centers. These are the numbers that you will see on an annual basis. A few percentage points here and there in a quarter would occur. This is the way the model performs. This addresses your first question.

The second question was about VAS. Now, VAS is—

Management: As I mentioned earlier, VAS has definitely contributed and has moved from 12% to 15% to 17%. It will always remain an integral part of our strategy and client offering.

VAS should be tracked on a consolidated basis. Regarding the one-time revenue that you mentioned, it is because of all 3 other services, namely DesignQube, IndiCare, and Eco. Although this would be a one-time affair, we have mentioned in our presentation that you should consider the recurring nature because this kind of growth will continue to come.

We expect the contribution of VAS revenue to increase further from 17% by approximately 2% to 4%. These quarterly percentages might fluctuate, but the structural contribution of VAS will increase, and you will see it continuing over time. Structurally, you might see the one-time component going up and down, but overall, you will see the contribution of VAS increasing. I hope I have been able to answer this question.

Shmit Asher – Ambit Capital: Yes, understood. That was helpful. Lastly, on solar, can you explain how much capex you have earmarked for solar to date, and what kind of IRRs are you expecting from your solar investments? That is all from my end.

Management: Thanks, Shmit. As mentioned, we now have 30 megawatts of operational capacity, and this year we intend to add another 25–30 megawatts of capacity, translating into a requirement of about 100–120 crores of capital expenditure.

Our solar IRR has been very healthy. Typically, it has been between 18% and 22% wherever we have invested in solar. Our payback periods have been extremely good in that regard.

We will continue doubling down because, as we are expanding and as a lot of green transition is happening among our clients, they are expecting us to provide a full-fledged sustainability solution. We will add capacity for ourselves, and we will also do a small part for our clients as and when they require a green transition.

Operator: Thank you. The next question comes from the line of Yashas Giganchi with Bob Capital Markets Limited. Please go ahead.

Yashas Giganchi – Bob Capital Markets Limited: Good afternoon, team. Thank you for taking my questions. I would like to know what proportion of rents was contributed by IT tenants over the quarter, and what percentage of these tenants are GCCs?

Management: Thank you, Yash. About 52% of our revenue comes from global capability centers, 23% comes from startups and unicorns, and about 28% comes from Indian enterprises.

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These Indian enterprises also cover our IT services companies, including mid-cap and other Indian-origin IT companies. We also have other companies, such as Mahindra Logistics and TVS. Basically, Indian IT services companies are part of this 28%. We do not have the exact breakup of this 28%, but you can imagine that about 10% to 12% would be IT services companies, with the larger percentage being global capability centers.

Yashas Giganchi – Bob Capital Markets Limited: Understood. I see that interest expense on your outstanding debt seems to have gone up. Please help me understand what drove this increase. Can you repeat the question, please? I noticed that interest expense on your outstanding debt seems to have gone up. Please help me understand what drove the increase in interest.

Vikas: Hi, Yash. Vikas here. Our debt has increased because, as Rishabh sir told us, we have increased the solar plant, and for that purpose we have taken debt for the solar business, not for our normal business or leasing business.

Yashas Giganchi – Bob Capital Markets Limited: Understood. Following up on a question my colleague asked a while earlier, just to confirm my understanding, even growth in rentable area would be close to 2 million square feet each year, although with a lag. Is my understanding correct?

Management: Yes. We have honestly simplified the definition of rentable area. It is the rent-paying area, and that is the right metric to look at—the right rent-paying area and the rent-yielding area. The rent-paying area could be the rentable area. As I mentioned, it is about 2 million square feet, and we would be adding close to 2 million square feet every year.

Yashas Giganchi – Bob Capital Markets Limited: Got it. Thank you very much.

Operator: The next question comes from the line of Yog Rajani with Omega Portfolio Advisors. Please go ahead.

Yog Rajani – Omega Portfolio Advisors: Hi, thank you for taking my question. My first question is regarding the difference between the area under management and the rent-paying area. We have around 2.8 million square feet of area that would come under rent-paying area. Could you tell us the timeline?

Management: Our current area is 10.61 million square feet. If you go to Slide 15 in our presentation, you would see the breakup of that 10.61 million square feet. Of that, 7.8 million square feet is the rent-paying area, and 6.74 million square feet is the rent-yielding area. The balance is either being operationalized or has a signed LOI. This would become operational in 12–16 months.

Yog Rajani – Omega Portfolio Advisors: Would it be possible to get a more granular breakup in terms of how much would be added every quarter?

Management: Every quarter? These are the quarterly numbers. What we have provided is on a yearly basis. We will take note of this and probably provide it in the future, but as of now, we have only this number.

Yog Rajani – Omega Portfolio Advisors: Fair enough. My next question is regarding occupancy. Our steady-state occupancy is already at 90%. Going forward, with growth coming in, do we expect the

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same level of profitability to be maintained, or do we expect profitability to be slightly neutral or lower, given that newer centers might take a while to break even?

Management: We have always maintained that there would be a certain range quarter-on-quarter. Occupancy at the corporate level would always be in the range of 82% to 85%. Sometimes it is 81% or 82%, and sometimes it will be 85% or 86%.

For mature centers, which are more than 12 months old, it would be in the range of 85% to 90%, including 88% to 90%. EBITDA margin would range from 19% to 21%. EBIT margins would be in the range of 11% to 13%, and PAT margin would be in the range of 8% to 10%.

Annually, you would see this range being maintained. Even if occupancy is 1% lower here and there, our margins would remain exactly in the same range. You will see this in the coming quarters and years.

Yog Rajani – Omega Portfolio Advisors: My point was more regarding the growth. Assuming steady-state occupancy remains where it is, the newer footprint that we plan to add would not break even very soon. It would take around 36 months to break even. Wouldn't that have an impact on overall profitability?

Management: Our breakeven is not 36 months. First, let me explain this. Our new centers typically take 5–6 months to reach operating breakeven, which is approximately 50% to 57% occupancy. From there, the center continues to ramp up, and we typically reach around 90% occupancy within 9–12 months.

These are the numbers, so it is not about 36 months. Thirty-six months is the full capex recovery that we are talking about. This is also clear on Slide 17. If you look at it, the operational breakeven is only 6 months, and the full capex recovery is at 38–40 months. We have clearly mentioned this there as well.

Even with growth, there will be no effect on the margin. There will be no pressure on the margins, if I may put it in simple terms. Margins would remain in the same ranges that I mentioned earlier.

Yog Rajani – Omega Portfolio Advisors: All right, thank you.

Operator: The next question comes from the line of Saurabh Gilta with JM Financial Services. Please go ahead.

Saurabh Gilta – JM Financial Services: My first question is on the recent new center addition that we have made in Noida. Congratulations on signing a large center. I think it is not just the largest in NCR but among the largest across our entire portfolio. I wanted to get a sense of the timeline for this center to become operational and what is giving you the confidence to add such a large center, although we have been focusing on reasonably sized centers until now. I wanted to understand the demand side as well.

Management: Thank you. This will go live by the middle of next year. You can expect Q2 FY28 or perhaps Q3 FY28; that is the timeline within which the building should become operational.

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Because we have been present in the NCR, we already have 2 centers in Noida and a few centers in Gurgaon. We have done a fair amount of market research in that market, and we believe the timing was right to undertake a large center where we can create a high-quality product, showcase it, and provide a technology-park-grade experience for our occupiers.

As you know, we are seeing a lot of things turning in Noida, especially because of better administration and law and order, as well as the Jewar Airport coming up. All these things are coming together, and we are very bullish on Noida. That gave us the confidence to look at picking up a larger supply, creating a high-quality product, and taking it up there.

It is not specifically a demand bet because, as you know, we proactively pick up most of the buildings that we take up. We do not do too much back-to-back leasing, but once in a while, if there is a customer requirement, we do that.

The large part of our supply has been added because we believe in the market and follow our philosophy of landing, expanding, and building scale. That is exactly what is playing out in Noida, where we landed a few years ago, gained confidence, and are now in the expansion phase. Hopefully, you will see the same strategy playing out in other cities as well soon.

Saurabh Gilta – JM Financial Services: As a follow-up, I know that Bengaluru is a supply-constrained market, so it is difficult to sign such large centers. As you expand beyond Bengaluru, is this the strategy you want to follow—taking large centers? Are you looking at any new markets for similarly sized centers in the near term?

Management: Our philosophy has always been the follow-the-talent strategy, to be honest with you. If you are operating in Nariman Point or a very dense micro-market in Bombay, you cannot expect to have a product like the one we are signing in Noida. There, we would go with a mix of smaller buildings or look at renovated buildings.

However, when we go to a location such as Navi Mumbai or the Noida Expressway, these tend to be technology-park-centric locations with large occupiers, and the supply also favors picking up a larger product.

Our strategy will continue to be more micro-market-centric, depending on which micro-market we enter, what the customer profile is, and the availability of real estate supply in that micro-market. Accordingly, we will keep adjusting. We are not committed to one size.

For example, we have been picking up a lot of supply in technology parks recently, and our technology-park presence has reached almost 20% of our portfolio. It is a function of the type of demand pattern, the characteristics of the micro-market, and how we respond accordingly.

Saurabh Gilta – JM Financial Services: Sure, thank you for the elaborate answer. Thanks so much.

Operator: A reminder to all participants: you may press star and one to ask a question. The next question comes from the line of Jaimin Sanghavi with Dhama Capital. Please go ahead.

Jaimin Sanghavi – Dhama Capital: Thank you so much for taking my question. I was curious about the supply side. What is the breakdown between institutional supply and non-institutional supply in

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Bengaluru? You have about 76 centers in Bengaluru. Also, regarding your newer Noida lease, is that institutional or non-institutional?

Management: It is non-institutional supply, even though the supply size is very large. It is a property owned by a large ultra-HNI family group.

About 20% of our supply is institutional, which typically means listed REITs or a large fund, and the remaining supply is from ultra-HNI landlords. We are definitely seeing the share of institutional supply growing in our portfolio. This used to be about 12% a couple of years ago, and now it is about 20% of our overall portfolio.

Jaimin Sanghavi – Dhama Capital: To follow up on that, how does pricing differ between institutional supply and HNI supply?

Management: It obviously depends on the quality of the product. As you can guess, institutional-supply products typically tend to be of a better grade, so their pricing is definitely higher. On average, their common area maintenance costs also tend to be higher.

At the same time, the profile of the customers we are able to attract is also different. A large percentage of them are global capability centers, so they tend to pay a higher price as well.

Even though we may be saying that institutional-grade supply is more expensive, from a margin perspective, we are fairly consistent whether it is institutional supply or ultra-HNI-driven supply.

Jaimin Sanghavi – Dhama Capital: Got it. Thank you so much.

Operator: Thank you. The next question comes from the line of Jaykanth Beria with IIFL Capital. Please go ahead.

Jaykanth Beria – IIFL Capital: Thanks for the opportunity. I wanted to get some sense of the cash flows for the quarter. What kind of OCF have we generated for the quarter, and what has been the capex? Could you also provide some capex guidance for the balance of the year?

Meghna: Thank you for this question. Let me be candid with you. Regarding both capex deployment and cash flow, the way we define capex is as a combination of capex and interiors, design-build projects, solar investment, and vendor payment cycles.

All these are recurring in nature. Therefore, capex cannot be viewed as directly proportional to area addition in every period. It is always a combination of these 4 or 5 factors that I just mentioned.

We calculate both capex and cash flow internally, but we prefer not to provide provisional numbers at this stage because the numbers will be subject to the H1 audit and review. To provide a clear picture rather than giving an estimate and subsequently changing it, I think our H1 numbers will completely detail both capex and cash flows.

Since the numbers are not audited as of now, I would refrain from discussing them because they might change slightly here and there.

Jaykanth Beria – IIFL Capital: Sure, thank you.

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Operator: The next question comes from the line of Yog Rajani with Omega Portfolio Advisors. Please go ahead.

Yog Rajani – Omega Portfolio Advisors: Hi, I have another question. Our overall revenue-to-rent ratio is 2.2. Could you please provide more detail on it on a city-wise basis? Are there cities that are materially higher and cities that are materially lower? What would the range be?

Meghna: We calculate it at the corporate level. We have not conducted this kind of study on a city-wise or building-wise basis. It is calculated only at the overall corporate level. Therefore, unfortunately, we do not calculate the revenue ratio in that manner.

Yog Rajani – Omega Portfolio Advisors: All right, thank you.

Meghna: Thank you.

Operator: The next question comes from the line of Vikrant Kashyap with Asian Market Securities. Please go ahead.

Vikrant Kashyap – Asian Market Securities: Good afternoon. Congratulations on another very strong performance for the quarter. My question is regarding the significant amount of area we added in the last half, and we also added a substantial amount of area in this quarter. I would like to understand the timelines for the additions made in the last half and the micro-markets in which they are situated.

Management: Vikrant, can you repeat the last 2–3 lines of your question? Sorry.

Vikrant Kashyap – Asian Market Securities: My point was that we added around 1.14 million square feet in the last half, and in this quarter we added a significant amount of area to the AUM. My question is: what are the timelines for the additions made in the last half, and in which micro-markets are they located?

Management: Most of the supply that we have signed up will be delivered between 12 and 18 months, and you will see incremental delivery of those projects taking place.

I would also like to highlight that the typical pattern in real estate, at least what we have seen in our industry, is that our leasing uptake is higher from February and March through October because the festive season starts coming in. After that, Christmas holidays and New Year holidays come in, and leasing becomes slower.

Normally, we try to have most of the building delivery and the addition of rent-paying area happen around the beginning of January or February so that we have sufficient time to market that inventory. That is how things have been, and that is the reason you have not seen a lot of addition in our RPA. RPA has remained flat even though our AUM has increased. That has been the cycle, and that is how we try to time it.

Having said that, there is no perfect match to that, so you will continue to see additions taking place. From a micro-market point of view, a lot of our supply is in key micro-markets, typically micro-markets where occupancy levels are around 85% and above.

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For example, if you look at Bengaluru, a lot of our supply is in the Outer Ring Road area, which is the best-performing large-scale micro-market. To give you another example, in North Bengaluru, we see a lot of oversupply, vacancy levels are high, and a lot of new supply is coming in. Therefore, even though we have more than 6.5 million square feet in Bengaluru, our exposure to North Bengaluru is not even half a million square feet.

We will be quite micro-market-focused because cities are too large. Mumbai is a very large city, and Delhi and Bengaluru are also very large cities. Most of the supply we have signed up is in key-performing micro-markets, and that is reflected in our occupancy numbers as well. If you look at overall occupancy or steady-state occupancy, we have remained range-bound throughout.

Vikrant Kashyap – Asian Market Securities: Another point is that, when we had interacted on several calls in the past, you had highlighted Hyderabad and Mumbai as areas of interest, and the traction you had seen on the rental side was very strong. Are we still looking at expanding our portfolio significantly in these 2 markets going forward?

Management: Yes, Vikrant, you have highlighted that very correctly. Post-COVID, we started expanding aggressively in both cities, and we are at a good place now. We are very hopeful that in this financial year we should be able to sign up larger spaces in both cities.

Vikrant Kashyap – Asian Market Securities: Meghna, I have one last question for you. Since we are moving very strongly on VAS, you highlighted that we can expand it by 200–400 basis points going forward. That would have a positive impact on our EBITDA margin or perhaps on EBITDA.

At the total revenue per seat per month that we are targeting, as EBITDA moves out, do we see most of the margin expansion coming from VAS, or will occupancy improvement and recent escalation also contribute to margin expansion in the second half of FY27 or perhaps early FY28, as you mentioned earlier with respect to parts of Bengaluru?

Meghna: Your voice is a little muffled, Vikrant, but from what I understood, you are talking about the margin of VAS versus our core workspace, correct?

VAS revenue will definitely increase, as I mentioned earlier. You will see it increasing by 2% to 4% in the coming years as well.

In terms of margin, right now we believe that with DesignQube, IndiCare, and Eco, the priority for the next couple of years is to focus on growth and scale because we see a significant demand opportunity. The focus is on scaling and growing more than on margin expansion.

The margin in our VAS revenue would be around 15%, and this is going to remain the case for the next 1–2 years at least. At the expense of scale, we would not compromise on our growth. We would not compromise on growth at the expense of this margin. Right now, the focus is to tap the demand. Margin expansion, as I said, will continue with a similar margin for both put together. VAS alone is at about a 15% margin.

Vikrant Kashyap – Asian Market Securities: Thank you very much, and I wish you the best.

Meghna: Thank you.

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Operator: The next question comes from the line of Dhairya Trivedi with DTJ Investments. Please go ahead.

Dhairya Trivedi – DTJ Investments: Thank you for taking my question. Congratulations on a robust set of numbers. Over the last 12 months, a large part of our center addition has come from Tier 2 towns. Could you provide some insight into how these centers are performing compared with centers in the metros?

My next question is regarding concentration in the city of Bengaluru. About 63% to 64% of our seats are in just one city. Is there a plan to increase diversification and take up more space in well-performing markets such as Hyderabad or Chennai?

Management: The occupancy, profitability, and unit economics of Tier 2 cities are largely similar to those of Tier 1 cities. Of course, the scale is very different in these cities, so we have not seen any significant deterioration.

Real estate is also cheaper in these cities. Most of the time, the real estate that we pick up here is between 50 and 70 rupees per square foot, and correspondingly, our seat pricing is also more aggressive. We offer seats between 6,500 and 7,500 rupees per seat in those locations.

In that way, we are able to acquire real estate at a cheaper price and offer the same product at a cheaper rate. There is no margin hit as such, and there is nothing significantly different in these locations.

The second question was regarding the concentration in Bengaluru. You are right that 60% of our area is in Bengaluru. However, if you look at Chennai, for example, Chennai is about 10% of our portfolio now. NCR and other cities are also contributing now. We are seeing the Bengaluru share continuously come down.

As I mentioned in the earlier question, we have added Noida, and we plan to add larger supplies in Hyderabad and Mumbai. We certainly see these cities having an increasing share going forward. The growth rate in those cities will be much faster for us.

Nevertheless, I always say that if you look at the total absorption in India during the first 6 months of the calendar year, it was about 45 million square feet. The share of Bengaluru was about 12.7 million square feet, or about 28%. Therefore, about 28% to 30% of the total country's real estate is in Bengaluru.

If that is the case, you can imagine that the percentage of growth Bengaluru is receiving from global capability centers, unicorns, and startups tends to be higher than the national average for us. Bengaluru will continue to be a dominant market for us because it is the largest and fastest-growing market.

At the same time, you will see a lot of additions in NCR, the West, and Hyderabad. These 3 cities will add further to Chennai and Bengaluru, where we have been quite dominant.

Dhairya Trivedi – DTJ Investments: How is the supply addition progressing in the micro-markets of Bengaluru where we operate?

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Management: It is quite spread out. We have signed up a lot of supply on the Outer Ring Road stretch. If you are familiar with it, this is the stretch from Silk Board to Marathahalli, which is the best IT corridor.

We also have supply in Whitefield. I would say it is primarily in the CBD and SBD. As I mentioned earlier, we have not picked up a lot of supply in North Bengaluru. Most of our supply is in the southeastern and northeastern parts. That is where the bulk of our supply is coming in.

Dhairya Trivedi – DTJ Investments: Since our occupancy levels are already at 86% across the portfolio, could you provide some insight into the levels at which occupancy peaks out? Will further growth come from revenue growth per seat?

Management: As Meghna had mentioned, our steady-state centers, which are more than 12 months old, have occupancy ranging from 86% to 90% or 91%. If you look at the last 3 years of data, disregarding the future, you will see that we have been largely in that range.

Overall occupancy has been around 81% to 84% or 85%, and currently stands at 86%. There will be some fluctuation in this. It is better to consider a range of 86% to 90% for steady-state centers and 82% to 85% or 86% for overall occupancy.

As I mentioned, given the high-quality supply and the good macro markets in our upcoming pipeline, we are very hopeful that we will be able to maintain occupancy within this range. As long as we maintain occupancy within this range, we do not see any margin pressure. If occupancy moves from 90% to 88% or 89%, we do not see that resulting in a fall in EBITDA margins.

The positive point is that our sensitivity to this is not very high.

Operator: Thank you, and all the best.

Management: Thank you.

Operator: The next question comes from the line of Hitendra Pratap with Maximal Capital. Please go ahead.

Hitendra Pratap – Maximal Capital: Hi, thanks for the opportunity. I hope I am audible. I am referring to Slide 19. I see that GCCs account for 50% and Indian enterprises account for approximately 30%. What kind of growth are we expecting from the GCC segment? At the industry level and at our company level, are GCCs adopting flex space going forward?

The same question applies to Indian enterprises. For GCCs, in terms of geography, you have partly answered this, but which specific cities do you expect this growth to materialize in, and do we have the supply to cater to it?

Management: As you rightly mentioned, our area mix by sector is quite distributed. I would like to remind you that if you look at the 2020–21 scenario, when GCCs were not so much in the news, the flavor of the season at that time was startups and unicorns. They were very dominant.

Indian enterprises, which also constitute a small percentage of IT, were growing very strongly. Indian companies such as Mahindra Logistics and TVS continue to grow in line with our GDP

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numbers.

Certainly, in the last 2–3 years, we have seen GCCs pick up. Their share, which used to be about 42%, has gone up to 49% or 50%. The positive point is that this is quite well distributed. This is not just true for us; it is true for India's growth story as well.

One thing or another has been driving the real estate segment. That is why India is now almost touching 1.1 billion square feet. If you look at 25 years of data on commercial real estate adoption in India, adoption has been very steady. Typically, real estate growth of 6% to 7% in India continues to take place, and that is how we look at it.

We see that GCCs, from 49% today, may grow to 54% or 55%, typically, but we do not see that changing very drastically, and we do want to keep it that way.

Regarding the second part of the question, Bengaluru is the largest market and we have a substantial amount of GCC activity there. The other major city we see is Hyderabad, where GCC activity is very robust. These are the 2 cities where we see the bulk of the activity taking place.

As I mentioned earlier, we have already signed up Noida. Hopefully, you will see us picking up larger spaces in Mumbai as well as Hyderabad. The focus there will be on global capability centers, and we are also tapping into institutional supply.

As I mentioned earlier, institutional supply currently represents about 20% of our portfolio. A lot of institutional supply is taken up by global capability centers. Our supply is quite well aligned, I must say, with global capability centers.

Hitendra Pratap – Maximal Capital: Thank you. My second question relates to Slide 15. Steady-state occupancy is 90%, and you have guided towards {? higher-eighties ?} occupancy for the mature portfolio. Could you provide some insight into the renewals due this year? What happens when clients come up for renewal? Could you give us some sense of the renewal rate and the pricing step-up that we can expect when those events are triggered? I am curious to know more about that.

Management: The positive point has been that our attrition has been negative. When I say attrition has been negative, it means that if, on December 31, there are a certain number of customers, and if some customers leave on January 1 while some customers decide to grow, typically the customers who remain with us on December 31 have taken more space than the space vacated by the customers leaving. That number is positive.

The other factor I would highlight is that 41% of our revenue comes from clients who have taken multiple centers. That is very stable. Our renewal rate with these customers has been 90%.

In addition, our top 5 customers contribute only 12% of our revenue, so our client base is very diverse. Most of the properties, with the exception of a single-digit number of them, are multi-tenanted properties. If one tenant leaves, that does not mean the building becomes fully vacant. There is another set of clients willing to take up that space.

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To be very honest with you, we have not seen any significant impact even after COVID because of any one client moving out.

Hitendra Pratap – Maximal Capital: What is the notice period? Do we get any leeway from the landlord if a client vacates, or do we get sufficient notice and fill the space during that period?

Management: Our client notice periods range from 60 to 90 days. For smaller clients, it may be 60 days, while for larger clients it is 90 days.

With landlords, we have space leases, so there is no occupancy-linked arrangement with the landlord. That is the notice period, and I think we have been able to find prospective clients within that timeframe most of the time.

Hitendra Pratap – Maximal Capital: Thank you. All the best.

Management: Thank you.

Operator: Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to the management for the closing remarks.

Management: Thank you very much. Thank you to JM Financial and Saurabh for organizing this. I really appreciate all the investors and analysts taking the time to join the call and ask very candid questions. We have tried our best to answer them.

If they have any further questions, they can always write back to us or reach out to our IR team, and we will be very happy to answer them to the best of our ability. Thank you very much, and we look forward to your continued support.

Management: Thank you. Thank you very much. We appreciate this. Thank you.

Operator: Thank you, sir. Thank you, ma'am. Ladies and gentlemen, on behalf of JM Financial Services, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.

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

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