Brookfield India Real Estate Trust — Jan 2026 Quarterly Analysis

1. VERDICT & BUSINESS QUALITY SNAPSHOT

The punchline. Read this first — it frames everything below.

Result: Beat **One-line:** A transformational quarter where the Ecoworld acquisition and robust gross leasing (1.2 MSF) pivot the portfolio toward high-growth Bengaluru/Mumbai markets, providing a clear line of sight to a 19% DPU expansion.

Dimension	This Quarter	Signal / Evidence	Sentiment
Beat/Miss vs Guidance	Strong Beat	Gross leasing of 1.2 MSF and 17% re-leasing spread exceeded mid-term trends.	□
Earnings Quality	High (Core driven)	Growth driven by occupancy (92%) and rental spreads; □65 Cr one-off is transition-linked.	□
Guidance Confidence	Strong	Embedded DPU growth of 19% (to □25.6) is mathematically anchored to 97.5% occupancy.	□
Management Credibility	Strong	Delivered on the "scale-up" promise via Ecoworld and 3x subscribed QIP.	□
Business Quality Signal	Improving	Portfolio diversification improved; top 10 tenant concentration dropped from 34% to 30%.	□
Key Q&A Exchange	Q5: Cost of Debt	Management confirmed a ~30 bps reduction in cost of debt for Q4 FY26 due to refinancing.	□
The Street's Primary Anxiety	SEZ Vacancy / NPAs	Fear of SEZ obsolescence; Mgmt responded with 3.1 MSF NPA conversion strategy (62% leased).	□
Capital Cycle Stage	Consolidation	Shifting from aggressive acquisition (Ecoworld) to organic lease-up and de-leveraging.	□
Margin Trajectory	Improving	NOI margins on OLR remained healthy at 108%; interest costs trending lower.	□
Pricing Power	Expanding	Re-leasing spreads of 17% (Q3) and 19% (9M) demonstrate strong pricing power in GCC hubs.	□
FCF Conversion & Quality	Strong	NDCF generated (□405 Cr) fully covers the distribution of □5.40/ unit.	□
Competitive Moat Signals	Widening	Only 100% institutionally managed pan-India office REIT; Sponsor pipeline remains deep.	□
Balance Sheet Strength	Strong	LTV at 31.5% (ex-shareholder debt) provides □5,000 Cr+ headroom for growth.	□
Working Capital Efficiency	Stable	Collections remain high; receivable from AEIPL (□65 Cr) is a structured demerger settlement.	□
Mgmt Guidance Track Record	Reliable	Consistent delivery on leasing targets and inorganic growth milestones.	□
Key Vulnerability	SEZ Regulations	Dependency on the speed of "Non-Processing Area" (NPA) conversion approvals.	□
Management Tone	Confident	Tone was assertive regarding Bengaluru demand and interest rate tailwinds.	□

Key Takeaways (Positives & Negatives): * **Positives:** The Ecoworld acquisition (7.7 MSF) is a masterstroke, making Bengaluru the largest market (32% GAV) and increasing GCC tenant exposure to 45%. Strong leasing momentum (1.2 MSF this quarter) and a massive 17% re-leasing spread prove that high-quality campuses are decoupling from broader "work-from-home" concerns. The successful □3,500 Cr QIP and □2,000 Cr SLB significantly lower the cost of capital and diversify the unitholder base. * **Negatives:** There is some near-term churn in the technology sector (K1 Kolkata and Powai expiries), though management claims these are already "spoken for." The SEZ portfolio still has pockets of vacancy that require the regulatory "NPA conversion" lever to unlock value. * **Street Concern:** Analysts are hyper-focused on the DPU trajectory and tax efficiency. Management responded with a clear roadmap to increase the "dividend" component to ~30% in the near term (up from 17% currently), which is a major positive for post-tax yields. * **Forward Watchpoint:** Monitor the "stabilization" of Ecoworld; the REIT needs to move from 92% to 97.5% portfolio occupancy to hit the □25.6 DPU target.

---

2. BUSINESS PERFORMANCE

2A. KEY METRICS *First entry — No prior context available. Figures converted from Billions (B) to Crores (Cr).*

Metric	Current Qtr (Q3FY26)	YoY Change	QoQ Change	Trend	Mgmt Commentary
Committed Occupancy (%)	92%	↑ 500 bps	↑ 100 bps	↑	Driven by expansion demand and NPA conversions in G2 and N2.
In-place Rent (□ PSF/mo)	□101	↑ 2%+	↑ 1%	↑	Driven by 17% re-leasing spreads and contractual escalations (8.6% on 3.8 MSF).
Revenue from Ops (□Cr)	□690.4	↑ 14.8%	↑ 3.0%	↑	Growth driven by new leasing and CAM revenue (up 5.2% YoY).
Net Operating Income (□Cr)	□540.4	↑ 13.9%	↑ 6.1%	↑	NOI growth outpaced revenue due to CAM margin improvement.
NDCF - REIT Level (□Cr)	□405.0	First entry	↑ 23.2%	↑	Includes □65 Cr one-off cash from AEIPL (demerger scheme).
Distribution Per Unit (□)	□5.40	↑ 10.0%	↑ 2.8%	↑	Payout ratio remains 100% of NDCF.
WALE (Years)	6.5	→	→	→	Long-dated visibility with average new lease term of 11.9 years.
Net Debt / GAV (LTV %)	31.5%	First entry	First entry	→	Excludes shareholder instruments; AAA rated balance sheet.
Avg Cost of Debt (%)	7.6%	First entry	First entry	↓	Expected to drop to 7.3% in Q4 due to repo cut and refinancing.
Gross Leasing (MSF)	1.2	First entry	↑ 50%	↑	0.7 MSF New Leasing + 0.5 MSF Renewals.

2B. SEGMENT BREAKDOWN (By Asset/SPV)

Asset	Revenue (□ Cr)	OLR (□ Cr)	NOI Margin (%)	Trend	vs Co. Avg	Key Development
Downtown Powai	□228.6	□205.7	96%	↑	Below	95% occupancy; high demand for IT/ Commercial space.
G1 (Gurugram)	□109.9	Not stated	107%	↑	Inline	Occupancy at 86%; benefiting from 50% ownership structure.
N2 (Noida)	□103.3	Not stated	111%	↑	Above	0.6 MSF NPA conversion driving occupancy to 92%.
Ecoworld (Blr)	□21.4	□17.2	98%	New	Inline	Only 8 days contribution; full run-rate will lead the portfolio.
G2 (Gurugram)	Not stated	Not stated	102%	↑	Below	Largest improvement: 10% occupancy growth in 9M FY26.

3. MANAGEMENT OUTLOOK & EXECUTION TRACKER

Dimension	Category	Management Target / Claim	Required Run-Rate / Mathematical Feasibility	Historical Delivery	Risk Flag
Guidance	DPU	□25.6 per unit (Annualized)	Requires portfolio occupancy to hit 97.5% (from 92%). Feasible in 4-6 quarters.	Delivered 10% YoY DPU growth.	Moderate: Leasing velocity must hold.
Guidance	Cost of Debt	7.3% by Q4 FY26	Requires successful refinancing of Ecoworld debt (8.4% to 7.4%).	In progress.	Low: Bankers already in agreement.
Guidance	Tax Efficiency	30% Dividend Mix	Requires capital restructuring in SPVs (K1, Ecoworld, Festus).	Achieved 17% currently.	Low: Regulatory path is clear.
Strategy	NPA Conversion	4.2 MSF Total Target	3.1 MSF completed/applied; 1.2 MSF planned.	Strong: 62% of converted area already leased.	High: Regulatory approval speed.
Macro	GCC Demand	45-50% contribution	Current 9M contribution at 49%.	Consistent.	Low: India remains the global GCC hub.
Balance	Leverage	33% - 35% Cap LTV	Currently at 31.5%; ample headroom for □5,000 Cr+ capex/acquisitions.	Maintained AAA rating.	Low.

4. ANALYST Q&A

Q#	Relevance	Analyst	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
1	4.5	Deep Shah (B&K)	NPA Conversion	Business Overview	"When will the 3.1 MSF non-processing area reach 90% occupancy?"	Management noted 62% is the Dec-31 snapshot but substantial portions are already backed by LOIs or advanced negotiations. Conversion of vacancies into NPAs allows access to non-SEZ tenants, a key catalyst for the G2/N2 turnaround.	None	4.0	Specific timeline given
2	4.0	Deep Shah (B&K)	Cash One-off	Financials	"What is the □650 million (□65 Cr) receipt in the NDCF walkdown?"	This was cash from AEIPL attributed to the Ecoworld SPV under the demerger scheme, helping bridge the gap for the 8-day holding period. It serves as a bridge to the full operational cash flows expected from Ecoworld starting Q4 FY26.	None	5.0	Clear and quantified
3	4.0	Puneet Gulati (HSBC)	Expiries	Business Overview	"How are you handling the upcoming 0.5 MSF expiries at	Management confirmed term sheets are already signed for these expiries, meaning new	None	4.5	Specific and de-risked

Q#	Relevance	Analyst	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
					K1 Kolkata and Powai?"	tenants move in as old ones vacate. This minimizes void periods and captures MTM rental upside immediately.			
4	3.5	Parvez Qazi (Nuvama)	Occupancy Outlook	Management Outlook	"Where do you expect portfolio occupancy to settle?"	Management expects to reach "high 90s" across the portfolio in the next 12-18 months given current momentum. This validates the path to the ₹25.6 DPU target (which is based on 97.5% occupancy).	Specific guidance on timeline	3.5	Directional with evidence
5	4.5	Yashas Gilganchi (BOB)	Ecoworld Debt	Financials	"What will drive the 100 bps reduction in borrowing cost for Ecoworld SPV?"	Management is refinancing the Ecoworld debt from 8.4% down to 7.4% by early February via a consortium of banks. This interest saving is a direct and immediate tailwind to NDCF from Q4 onwards.	None	5.0	Specific and imminent
6	4.0	Pritesh Sheth (Axis)	DPU Trajectory	Financials	"When will we reach the ₹25.6 DPU run rate—is it back-ended?"	Management clarified it will "inch up" every quarter rather than being a single jump	Exact quarterly split	3.5	Directional guidance

Q#	Relevance	Analyst	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
						at the end. Reaching 97.5% occupancy is the trigger, likely within 4-7 quarters.			
7	4.0	Samarth Agrawal (Ambit)	MTM Upside	Strategy	"Is the strategy to buy mature assets or high-yield distressed assets?"	Management prefers stable assets with limited risk but highlighted massive rent growth potential (MTM) in assets like Ecoworld where market rents are 30% above passing rents. This suggests growth is driven by asset management, not just development risk.	None	4.0	Strategy clarified
8	3.0	Sumit Kumar (JM)	NOI Margins	Financials	"Will Ecoworld NOI margins be similar to the rest of the portfolio?"	Management confirmed 98-100% NOI margins for Ecoworld, consistent with their institutional management model. This provides comfort on the scalability of the acquisition.	None	4.0	Quantified
9	4.5	Dhiraj Dave (Samvad)	Tax Efficiency	Capex & Allocation	"How will the distribution mix improve	Management is targeting a 30% dividend mix (up from	None	4.5	Quantified roadmap

Q#	Relevance	Analyst	Theme	Category	Underlying Concern	Management Response & Investment Implication	Evaded	Credibility	Verdict
					over 2-3 years?"	17%) next year through capital restructuring schemes in K1, Festus, and Ecoworld. This significantly improves the post-tax yield for resident unitholders.			

PATTERN FLAGS & SENTIMENT * **The "NPA Transition" Anxiety:** Analysts were wary of the high vacancy in the newly converted Non-Processing Areas (NPA). Management's posture was confident, repeatedly stating that these vacancies are "spoken for" via Letters of Intent (LOIs). This concern is likely to resurface next quarter as the "Committed" occupancy must transition to "Occupied" (rent-paying) status. * **The "Ecoworld Integration" Focus:** Multiple questions centered on Ecoworld's margins, debt refinancing, and its 8-day contribution. Management successfully convinced the street that the acquisition is "immediately accretive" and that the interest rate reduction (100 bps) is already agreed upon with banks. * **Analyst Sentiment Verdict:** Analysts were generally bullish but detail-oriented regarding the DPU bridge. The mood was constructive, buoyed by the 1.2 MSF leasing beat. Management's credibility improved this quarter by closing a large acquisition (Ecoworld) and a successful QIP simultaneously. The single unresolved issue is the *timing* of the 97.5% occupancy target—the "4 to 7 quarters" window is wide and remains the primary variable in the valuation model.

---

5. WHAT CHANGED vs PRIOR QUARTER

First entry — no prior quarter to compare. The following represent material business shifts during Q3 FY26.

What Changed	Prior Quarter (Conceptual)	This Quarter	Direction
Portfolio Scale	24.7 MSF Operating Area	32.4 MSF Operating Area	↑ (Size +31%)
Market Concentration	NCR/Mumbai dominant	Bengaluru (32%) is now the largest hub	↑ (Diversification)
Committed Occupancy	89% (Mar-25)	92%	↑
Tenant Mix (GCC)	37% GCC exposure	45% GCC exposure	↑ (Quality)
Distributions (DPU)	₹5.25/unit (Q2)	₹5.40/unit	↑
Capital Structure	Higher cost, diverse debt	Successfully raised ₹5,500 Cr (QIP + SLB)	↑ (Strength)
Tax Efficiency	17% Dividend Mix	Roadmap to 30% Dividend Mix	↑ (Yield)
Cost of Debt	7.6%	7.3% (Projected for Q4)	↓ (Finance Cost)

STOP HERE.